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Mekong Basin, ASEAN IPR Cooperation Urged

BK2209053695 Bangkok BANGKOK POST in English 22 Sep 95 p 19

[Report by Somphon Thaphanachai]

[FBIS Transcribed Text] Countries in the Mekong Basin have been told they must cooperate with ASEAN members to strengthen their negotiating power at international forums on intellectual property rights [IPR].

Speaking at a seminar on intellectual property cooperation among the Mekong Basin nations, Intellectual Property Department director-general Suchai Chaowisit said Thailand would try to act as a link to foster regional cooperation on intellectual property rights.

Representatives from Laos, Cambodia, Vietnam, China and Thailand attended the seminar in Bangkok.

Mr Suchai said Thailand had pushed ASEAN to sign an agreement on cooperation among members in the field of intellectual property rights. That agreement is expected to be signed at a meeting of ASEAN leaders in Bangkok in December.

He said ASEAN and the Mekong Basin nations should reach a common position before attending international conferences on intellectual property rights, such as those held by the World Intellectual Property Organisation [WIPO] or the World Trade Organisation.

Countries in the region have reached a comparable level of development on intellectual property rights and must cooperate to reduce pressure from western countries, he said, adding that western nations often slapped unilateral sanctions or other measures on developing countries, claiming inadequate protection for intellectual property rights.

Thailand has already signed memoranda of understanding with Vietnam on bilateral cooperation in the fields of industrial property, trademarks and patents and is in the process of negotiating bilateral cooperation agreements with Laos, Cambodia, and Burma.

Mr Suchai said Thailand felt cooperation would draw more investment to the region because investors would be even more confident of profit opportunities .

As an example of this type of cooperation, he cited a deal between Thailand and Vietnam on protection of industrial property. Under the agreement, Vietnam withdrew registration of the Samit-14 trademark after Thailand proved the trademark was a popular brand in Thailand.

Another delegate from the Intellectual Property Department, technical and planning division director Wirawit Wiraworawit, said countries in this region had to come up with a defensive strategy to deal with intellectual property rights issues, allowing developed countries to help draft intellectual property laws.

He said the region should apply a more aggressive strategy, expressing a group stance, at international trade forums such as the Trade Related to Intellectual Property Rights (TRIPS). He said agreement needed to be amended both in terms of procedure and substance.

Chirasak Thanetnan, Minister of the Royal Thai Embassy in Cambodia, noted that Cambodia had just become a full member of WIPO this year and the Cambodian Government was now in the process of drafting three intellectual property rights laws to go into effect next year.

He said Cambodia wanted to raise its protection of intellectual property to international standards in order to attract foreign investors.

There are currently many infringements of intellectual property rights in Cambodia, such as the copying of luxury products and cosmetics. More serious infringements include the copying of medicines, Mr Chirasak added.

A department source commented that at future meetings, Thailand would insist on amending laws concerning intellectual property rights within a timeframe of five to ten years as specified in TRIPS under the WTO.

More developed members in Asia Pacific Economic Cooperation such as the United States, Australia and Japan would try to press developing members to speed up amendments to intellectual property law, the source said.

Japan

Hashimoto: 'Super 301' Inconsistent With WTO

OW2909023195 Tokyo KYODO in English 0215 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — The U.S. "Super 301" trade negotiation procedure is inconsistent with rules stipulated under the World Trade Organization (WTO), Japanese International Trade and Industry Minister Ryutaro Hashimoto said Friday [29 September].

"I have to repeat that the clause is a system that has problems in light of WTO rules," Hashimoto told a news conference.

He made the comment after U.S. President Bill Clinton signed an executive order Wednesday to extend the Super 301 provision for another two years.

Japan's paper and wood product markets are placed under Super 301 monitoring with a possible start of the procedure that would lead to sanctions.

"That is very regrettable," Hashimoto said, brushing aside U.S. allegations that the Japanese paper market is closed.

Hashimoto said slow sale of U.S. paper products in Japan stems from insufficient U.S. marketing efforts rather than the nature of the Japanese market.

Japan's paper imports increased 12 percent in the year ended March 1994 while shipments from the United States dropped 4 percent, he said.

"This signals the lack of marketing efforts on the U.S. side," he said.

The office of the U.S. Trade Representative (USTR) designated Japan's paper and paper product and wood product markets under the section labeled "the future warrants identification as priority foreign country practices" for the second year a row in its annual Super 301 report to U.S. Congress.

The USTR cited structural barriers such as exclusionary business practices and a closed distribution system as continuing to impede access of U.S. products.

Under the procedure, countries identified under "priority foreign country practices" in the annual report are subject to USTR investigations with possible sanctions.

'Super 301' Extension to Forest Goods Criticized

OW2909044695 Tokyo KYODO in English 0425 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — Agriculture, Forestry and Fisheries Minister Hosei Norota criticized a U.S. decision Friday [29 September] to monitor Japan's forestry market for another two years for possible sanctions.

"I can hardly understand (the U.S. decision) since Japan's forestry market is wide open to imports, which account for nearly 80 percent of the market," Norota told a news conference.

The farm minister made the remark in response to a decision by the office of the U.S. Trade Representative on Thursday to monitor Japan's paper and wood product markets for possible sanctions under the "Super 301" provision aimed at countries engaged in unfair trade practices.

Government officials said Washington was displeased with a delay in Japanese action to lower import tariffs on forestry products in accordance with an agreement in the Uruguay Round of world trade negotiations that ended in late 1993.

The officials said the Japanese market for paper and wood products is wide open to imports as the government faithfully implemented measures agreed on in the trade negotiations.

MITI Vows To Ignore Paper Talks Under '301'

OW2909015995 Tokyo KYODO in English 0154 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 28 KYODO — The trade ministry said Friday [29 September] Japan will not respond to a U.S. plea for bilateral talks to remove alleged trade curbs in the Japanese paper and wood product markets under the threat of imposing retaliation under Section 301 of the U.S. Trade Law.

"Section 301 is toothless and we will not take up the issue even if they make a fuss about it," a senior official at the Ministry of International Trade and Industry (MITI) said.

The official was speaking about a U.S. decision to designate Japan's trade practices over paper and wood products as possible targets of U.S. retaliatory trade action under Section 301 while extending the validity of the clause.

"We have handed down a conclusion on how to respond to Section 301 as a result of the Japan-U.S. automobile negotiations," the official said. "The international community does not tolerate a strange measure like that."

Japan would seek to resolve the matter under dispute settlement procedures of the World Trade Organization rather than responding to a U.S. plea for bilateral talks on the paper and wood matters, he suggested.

Editorial on Liberalization of Aviation Industry

OW2909023095 Tokyo ASAHI SHIMBUN in Japanese 27 Sep 95 Morning Edition p 5

[Editorial: "Before Saying There Is Inequality in the 'Sky'"]

[FBIS Translated Text] Japan and the United States have resumed negotiations to review their bilateral aviation agreement. The negotiations are scheduled to last six months. This is based on an agreement reached at cabinet-level talks in late July, and air cargo will be the main topic of discussion.

However, Japan's interest lies mainly in correcting the inequality of the aviation treaty, including the passenger sector. We hope the talks will first come up with achievements in the cargo sector, and eventually, the two countries will be able to establish new air transport rules.

Japan has held a timid attitude on this issue for a long time in consideration of the bilateral relationship under the Cold War structure. However, there has been a growing trend among the major powers of the world recently to take a tougher approach in seeking to revise unfavorable agreements with the United States. Some countries, like Germany and France, even abrogated their agreements with the United States to pave way for new negotiations. Japan should also learn from these countries and take a tougher stand.

The recent aviation talks started with the giant U.S. cargo company Federal Express's application to open seven new flights to Asia via Japan. While the United States asserted that this was a "vested right under the agreement," Japan rejected the application and held that "a complete review of the agreement should come first."

After the United States first professed a tough position, threatening to impose sanctions, both countries assumed an even more hostile attitude. However, during the final stage, out of political considerations on the part of both governments, the two sides were finally able to reach agreement.

At that time, in return for agreeing to the U.S. demand, Japan was allowed to add an air cargo flight to Chicago and promised the resumption of negotiations to review the aviation treaty's provisions on air cargo. While it was a good thing that the worst- scenario sanctions war did not come to pass, the "equality of the agreement," which is the greatest pending issue from the Japanese point of view, was merely deferred.

The existing treaty was signed in 1952, soon after the U.S. occupation of Japan after World War II ended. Owing to the state of the aviation industry at that time, the treaty was to the disadvantage to Japan, and this has continued up to this date.

While it is imperative that the inequality of the treaty be corrected as soon as possible, it will not be easy to bridge the gap between the two countries. The last round of negotiations clearly illustrated the fact that there is a substantial gap between the two sides in the intepretation of the treaty, in aviation policy, and in other related issues.

The greatest point of contention has to do with "beyond rights," which allow the transport of passengers and cargo to a third country via either of the two signatory countries. Japan contends that "the aviation treaty should deal mainly with transport between the two countries, and beyond rights are secondary"; while the United States advocates an "open skies" policy. Both sides can find no point of compromise.

At present, the ratio of passenger transport share between Japan and the United States is 7 to 3 in favor of U.S. companies. This is an extremely unequal situation. It, however, mirrors the difference in competitiveness between the U.S. companies, which have gone through the process of deregulation and rigorous reorganization of the aviation industry, and the Japanese companies.

One cause of this is that the Japanese companies, content with indulging in the overprotective administration of the Ministry of Transport, have neglected efforts to improve their business systems. Even if the inequality of the aviation treaty were eliminated, it would still be extremely difficult for the Japanese companies suffering from a business slump under yen appreciation to improve their performance instantly. This situation has also influenced Japan's position in the aviation talks.

What the Japanese aviation industry needs to do is to change its attitude of relying on the government and increase its own competitiveness. To this end, the government should also take immediate steps to liberalize Japanese aviation policy completely and to lay the groundwork to enable the competition mechanism to work effectively, while also protecting the interests of consumers.

It is only by changing Japan's stance of proctecting Japanese companies in the name of national interests or national policy, and by defining a direction in Japanese aviation policy that Japan can negotiate on an equal footing with a United States that is pushing for the "liberalization of the sky."

NHK Survey on Revision of SOFA Reported

OW2909023495 Tokyo NHK General Television Network in Japanese 1011 GMT 28 Sep 95

[Announcer-read report; from "NHK News 7" program]

[FBIS Translated Text] As of today, NHK has found that 43 local assemblies in Japan have adopted resolutions demanding the revision of the Japan-U.S. Status of Forces Agreement [SOFA]. This follows the rape of a 12-year old Japanese girl allegedly committed by three U.S. servicemen in Okinawa. Most of the 43 local authorities have U.S. military facilities.

An NHK survey has indicated that the prefectural assemblies of Okinawa and Nagano and 41 city assemblies have adopted resolutions calling for the review of SOFA. They are also demanding that measures be taken to prevent the recurrence of such an incident.

Such local assemblies are criticizing the United States for not handing over the suspects to the Japanese authorities. They say this is because the United States still thinks of Okinawa as being under its control. Others say the current Japan-U.S. agreement is not acceptable as a sovereign nation, because it provides too many privileges for the United States.

In protest against the incident, 10 other prefectural assemblies, including Kanagawa and Ishikawa, and over a dozen municipal assemblies are considering adopting similar resolutions or requests.

Calls for U.S. Base Pact Revision Growing

OW2909073395 Tokyo KYODO in English 0721 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — The public outcry over the rape of an Okinawan schoolgirl by three U.S. servicemen has led municipalities in other parts of Japan to vent their various grievances against U.S. bases.

By Friday [29 September], the assemblies of 13 of 31 communities around Yokota Air Base in western Tokyo had adopted resolutions urging a revision of a bilateral bases agreement that awards some 46,000 U.S. military personnel certain privileges.

Having to endure constant noise from military aircraft using the base's 4,000-meter runway, local residents already harbor a grudge against the U.S. military.

The residents' call for a ban on night and early morning flights was rejected in a series of court decisions, although the plaintiffs were awarded compensation for past sufferings from jet noise.

A fourth suit seeking a partial flight ban is still pending.

The nearby city of Fussa urges "a complete overhaul of the handling of post-Cold War U.S.-Japan defense relations and the establishment of a true partnership," while demanding a suitable judicial response in the Okinawan rape case.

The Hoya City Assembly wants the base to be scaled down. "The incident has truly shown that the Americans still sport an occupation mentality and that their penchant to neglect human rights is still strong," the Hoya resolution said.

"The incident has revealed the real state of the U.S.-Japan security pact," according to the resolution of Kiyose, another nearby city, which also blasted "inequalities" allegedly enshrined in the Status of Forces Agreement.

Fussa Assemblyman Hitoshi Onozawa voiced hopes that widespread anger over the Okinawa rape will help to rally nationwide support for demands for an eventual U.S. troop withdrawal.

"We don't need this extremely noisy Yokota Base. The Japan-U.S. mutual security treaty must be gradually dissolved. We have adopted our resolution hoping to raise the concern of people who are living in areas without U.S. bases," Onozawa said.

Kazuaki Sakurazawa, an assembly member in Hamura, western Tokyo, also denounced the U.S. military presence. "I think it's kind of strange that U.S. troops are still stationed in our capital 50 years after the end of World War II," he said.

Ryuzo Fukumoto, who represents the plaintiffs in the pending flight noise suit, criticized the Japanese Government for failing to insist on a thorough revision of the bases agreement.

The foreign and defense ministers of Japan and the United States agreed in New York on Wednesday to improve criminal jurisdiction procedures within the agreement rather than revise the accord itself.

"I was shocked by their announcement, since the weak stance of our Foreign Ministry will affect our lawsuit," Fukumoto said.

In a related development, the City Assembly of Kitakyushu in southern Japan earlier Friday adopted a resolution accusing the government of an "awfully insufficient" response and demanding a complete overhaul of the bases agreement to end U.S. privileges.

On Saturday, some 1,000 residents around Yokota Base will set up a preparatory group to file a new lawsuit against the Japanese and U.S. Governments to ban night flights, their lawyers said Friday.

The lawsuit, expected to be filed by the end of March, will be the first one against Washington over the noise problem caused by U.S. military planes in Japan, they said.

The 1,000 residents include the plaintiffs in the earlier lawsuits over the base.

The Supreme Court said in its February 1993 decision on the previous suits that the plaintiffs could not ask the Japanese Government to ban an action out of its jurisdiction.

The lawyers for the new lawsuit said they considered the decision in seeking noise reduction from the U.S. Government.

They will also call for compensation for future sufferings which was rejected in the past court decisions.

LDP Official Interviewed on SOFA Revision

OW2709083395 Naha RYUKYU SHIMPO in Japanese 26 Sep 95 Morning Edition p 2

[Interview with Yoshinori Ono, chief of the Liberal Democratic Party [LDP] National Defense Division, by unidentified interviewer; date and place not given]

[FBIS Translated Text] [RYUKYU SHIMPO] What is your impression of the incident [in which U.S. servicemen abducted and raped an Okinawan schoolgirl]?

[Ono] Just thinking about the incident makes me feel disgusted and angry. If the U.S. forces' occupation mentality lies behind this incident, an all-out efforts should be made to rectify it.

[RYUKYU SHIMPO] What do you think about the issue of reviewing the Japan-U.S. Status of Forces Agreement [SOFA]?

[Ono] Section 5 of Article 17 is not the only part we should revise in the SOFA. In Kochi prefecture, next to my hometown (Kagawa), there are also several problems, such as hedgehopping by U.S. military planes, and long working hours for Japanese personnel who work at the U.S. military bases. These issues should be reviewed thoroughly this year, 50 years after the end of war.

[RYUKYU SHIMPO] The SOFA between the United States and other countries vary in terms of regulations on detention of U.S. servicemen who fall under suspicion. For example, in Germany, suspects can be handed over to German authorities either before or after indictment, whereas South Korea cannot take suspects into custody until trial formalities are completed. What do you think about this?

[Ono] I understand that it is difficult for the United States to review the SOFA because such an action would affect agreements with other countries. However, it is a vested right for a sovereign nation to claim turnover of U.S. servicemen who are allegedly involved in criminal cases that not related to their duties. I think the Japan should be a good example for other nations in revising the SOFA.

[RYUKYU SHIMPO] Is there any other reason for demanding revision?

[Ono] With the end of Cold War constitution, Japan and the United States ought to cooperate with each other on an equal footing in ensuring security and peace in the Asian Pacific region. It is regrettable that the unfair agreement still remains as a relic of the occupation days.

[RYUKYU SHIMPO] It is rumored that the Foreign Ministry is concerned over the possibility that revision of the SOFA would develop into revision of the bilateral security arrangements themselves. What do you think?

[Ono] It is, rather, the reverse. After fully considering the significance of the presence of the U.S. forces in the Asian Pacific region, the two nations should review the bilateral security arrangements in a forward-looking manner. In view of the fact that Japan has accepted a special agreement stipulating that it will bear expenses of 400-odd billion yen to support the U.S. forces stationed in Japan, it is reasonable that the Japanese Government seeks revision of the unfair pact, otherwise Okinawan people and other Japanese citizens will not be satisfied.

[RYUKYU SHIMPO] The Japanese Government intends to settle this issue by having a special consultative organ discuss ways to improve the application of the agreement, while leaving the SOFA itself intact. What is your comment on this?

[Ono] Improving the application of the accord is also a task that the two governments should achieve. Another question (revision of the SOFA) should be handled as a political task, and we politicians, are responsible for resolving this. This issue is now under discussion also in the LDP's National Security Committee, and most of the members urge review of the SOFA. I would like to have further discussion in the party.

Governor Refuses Land Contracts for U.S. Forces

OW2809104195 Tokyo KYODO in English 1025 GMT 28 Sep 95

[FBIS Transcribed Text] Naha, Japan, Sept. 28 KYODO — Okinawa Gov. Masahide Ota on Thursday [28

September] refused to cooperate with the central government in forcing local landowners to renew contracts allowing their land to be used by U.S. Forces.

"Under the current circumstances, it's absolutely difficult," Ota said during a session of the prefectural assembly, referring to the public outcry over the rape earlier this month of an Okinawan schoolgirl, allegedly by three U.S. servicemen.

Ota later told reporters that he made the decision despite the risk of facing a law suit from the central government.

"I want to speak about the situation in Okinawa (to central government officials) and obtain the understanding of the central government," Ota said.

His remarks come amid growing anger among Okinawans over the rape, which has fueled calls by local leaders and residents for a reduction in the U.S. military presence in Okinawa.

There are nearly 30,000 U.S. troops on the island, where about 75 percent of U.S. military facilities in Japan are located.

Based on the law on land expropriation for U.S. Forces, the central government is preparing to have some 2,900 Okinawan landowners renew their contracts with it before the expiration of the current contracts in March next year and May in 1997.

The landowners, who possess some 387,000 square meters of land inside 13 U.S. Forces facilities, have refused to renew their contracts.

The Defense Facilities Administration Agency, which is in charge of expropriating land for use by U.S. Forces, has urged the landowners to sign their names on documents for the forced renewal of the contracts.

The law requires the head of a city or town to sign the documents if landowners refuse to do so. In case of refusal by both landowners and municipal leaders, the law requires the prefectural governor to sign the documents.

If the prefectural governor refuses to sign the documents, the prime minister can file an administrative suit requesting the governor to carry out his duties. With court backing, the prime minister can then sign the documents himself if the governor does not comply with the court's ruling, according to the local autonomy law.

Ota has been requested to sign documents for land plots of 35,000 square meters owned by 33 of the 2,900 landowners, because the landowners themselves and municipal authorities have refused to do so.

Ruling, Opposition Party on SOFA Revision

OW2909054995 Tokyo YOMIURI SHIMBUN in Japanese 28 Sep 95 Morning Edition p 2

[By Itaru Ishizuka]

[FBIS Translated Text] New York, 27 Sep — Following a Japan-U.S. foreign ministerial meeting, which was held on the afternoon of 26 September (on the morning of 27 Japan time), Japanese and U.S. authorities have come to an agreement over the issue of reviewing the Japan-U.S. Status of Forces Agreement [SOFA]; a call triggered by the rape of an Okinawan schoolgirl. They agreed to deal with the issue "only by revising its [the SOFA's] application," (according to Secretary of State Christopher). However, there still exists a deep-rooted demand among officials of the Prime Minister's Official Residence and members of ruling and opposition parties for revision of the SOFA. They are saying: "The current SOFA is an unfair agreement, even compared to similar agreements the United States signed with other countries." Some people are worried that a "call for reviewing the security treaty, which has finally waned since the Social Democratic Party of Japan became a ruling party, may be rekindled if we make a mistake in handling this issue," (according to a senior Defense Agency [DA]) official. It seems likely that Diet debate over the issue will reach its peak when the suspects are turned over to Japanese authorities in early October at the earliest.

The point at issue is the SOFA states "if suspects are held in the custody of the U.S. side first, the U.S. side shall keep them in custody until they are indicted." An accord between Germany and NATO, including the U.S. Forces, stipulates the possibility of handing over suspects [to host nation authorities] before they are indicted. Because of this, lawmakers, regardless of ruling or opposition parties, strongly believe that "it is possible to review the Japan-U.S. accord itself just on this point," (said Nobuaki Futami, who is the New Frontier Party's [Shinshinto] shadow cabinet member in charge of security issues). Yoshinori Ono, chairman of the Defense Department of the Liberal Democratic Party [LDP], insists that "since the Japanese people feel quite frustrated over the issue, we need some visible results." In this way, he criticizes the "peace-at-any-price principle" of the Ministry of Foreign Affairs [MOFA], which is negative about reviewing the SOFA.

Publicly, the government is optimistic about the issue, saying that "it will be settled by the time President Clinton visits Japan in November," (said DA Director General Eishiro Eto). But MOFA thinks that lawmakers are calling for SOFA revision, overcoming the barrier between ruling and opposition parties, because the "incident stimulated the historic anti-U.S. feeling of the Okinawan people, who are the sole sufferers from the Japan-U.S. security system," (according to Foreign Ministry sources). At the same time, MOFA seriously thinks that the call has a "characteristic that "anti-U.S. nationalism, which exists within the LDP and Shinshinto but has been kept quiet during the Cold War era, is coming to the fore," (said a senior MOFA official).

What is adding fuel to the rough tone of the ruling and opposition parties' argument is a new special agreement, which will be signed on the morning of 27 September; it will spell out an additional amount of Japan's financial support for maintaining the U.S. Forces in Japan. Originally, this special agreement had a characteristic of "stretching" the meaning of SOFA Article 24, (according to a senor LDP official). Accepting a U.S. request, the special agreement was signed to increase Japan's financial support each year without revising the SOFA.

Because of this, ruling and opposition parties are expressing their opposition, saying: "Although SOFAs are supposed to be the same all over the world, the Japanese side agreed to increase its financial burden by signing the special agreement. Do they mean to say that they cannot review the accord regarding the process for holding criminal trials?"

In response to this, MOFA and DA authorities point out that "since the Japan-U.S. Security Treaty and SOFA are two sides of the same coin, it is possible that revision of SOFA may be linked to a revision of the security treaty," (according to a top DA official).

This remark is an indirect warning to politicians, saying: "Did the politicians forget the fact that the Japan-U.S. Security Treaty is a unilateral agreement that puts the responsibility of defending Japan only on the United States? A revision of the SOFA will awaken the U.S. view against the Japan-U.S. Security Treaty." However, this warning is not fully understood.

MOT Head Comments on Okinawa Rape Incident

OW2709054795 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese 0547 GMT 26 Sep 95

[News conference by Transport Minister Takeo Hiranuma with unidentified reporters at the Ministry of Transport [MOT] in the morning of 26 September]

[FBIS Translated Excerpts] [Passage omitted] [Reporter] It has been demanded that the Japan-U.S. Status of Forces Agreement [SOFA] be reviewed following the alleged rape of an Okinawan girl by U.S. servicemen. What do you think of the demand? The ruling Liberal
Democratic Party [LDP] appears to be de
view of the way the SOFA is enforced.

[Hiranuma] The United States has in
concluded the SOFA not only with Jap
allies. To speak frankly, I believe it is goo
of course to argue that the Japanese auth
keep in custody any U.S. servicemen
offences or crimes against Japanese la
the Japanese people's feelings. The cus
servicemen by the Japanese authorities
a sense, the lid of Pandora's box and the
is cautious about this. To prevent a recu
incident, Japan should stand firm in neg
the United States. I believe it is a matter of
LDP's Defense Affairs Committee to den
of the way the SOFA is enforced.

[Reporter] The review of the way the S
mented will focus on the custody of Ame
servicemen by the Japanese authorities. T
Okinawa was cowardly, qualitatively diff
meditated. What is your comment?

[Hiranuma] The United States has pro
will fully cooperate with Japan in inv
incident. The United States is now fulfillin
Ambassador Mondale and President Clin
the incident seriously. Though I do not
of how the SOFA has been enforced,
negotiations sought by Japan on reviewin
SOFA is enforced are expected to face
and take a long time. Japan may need
outrageous and cowardly act of the U.
known to the entire world. [passage omit

Prosecutors Indict U.S. Servicemen for

*OW2909044495 Tokyo KYODO in Engli
0428 GMT 29 Sep 95*

[FBIS Transcribed Text] Naha, Japan, Sep
— Prosecutors indicted three U.S. servi
[29 September] on charges of abduction
Japanese schoolgirl earlier this month.

U.S. Navy seaman apprentice Marcus Gil
Marines, Kendrick Ledet, 20, private fi
Rodrico Harp, 21, private first class, had
military custody but were delivered to the
Public Prosecutors Office.

The three servicemen allegedly abducted
in a residential area in northern Okinawa
raped her.

The Okinawa Prefectural Police had
U.S. Navy deliver the three men but the

rejected the request citing a bilateral accord on the legal status of U.S. military personnel stationed in Japan.

Prosecutors have been investigating the three men since Sept. 22 when police turned over the abduction and rape case to the Public Prosecutors' Office and informed the U.S. of the legal step.

Kono Praises Handling of Case

OW2909073795 Tokyo KYODO in English
0722 GMT 29 Sep 95

[FBIS Transcribed Text] Washington, Sept. 28 KYODO — Japanese Foreign Minister Yohei Kono praised Japanese authorities and U.S. Secretary of State Warren Christopher and others Thursday [28 September] for their handling of the Okinawa abduction and rape case.

In a statement, Kono expressed the hope that the case would be dealt with properly in view of its magnitude.

Kono said Japan and the United States would vigorously hold discussions on the possible creation of a special panel for reviewing criminal judicial procedures under the bilateral accord on the status of U.S. troops in Japan.

In Okinawa, Japanese prosecutors indicted three U.S. servicemen Friday on charges of abducting and raping a Japanese schoolgirl earlier this month.

Bilateral Security Accord With U.S. Reviewed

OW2909004295 Tokyo ASAHI SHIMBUN
in Japanese 28 Sep 95 Morning Edition p 3

[Unattributed article: "Attempt To Change Nature of Treaty Without Revising Provisions; Revision of Japan-U.S. Security Treaty — Domestic Debates Passed Over"]

[FBIS Translated Text] "Reviewing the significance" of the Japan-U.S. Security Treaty was the main topic at the so-called two-plus-two security talks between the Japanese foreign and defense ministers and their U.S. counterparts on 27 September. An attempt was made to change the nature of the bilateral security arrangement — the very existence of which has been shaky since the collapse of the former Soviet Union and the end of the Cold War — by redefining the arrangement now as an "indispensable framework" for stability in the Asia-Pacific region. The attempt could drastically alter Japan's policy. One of the pillars of the "new security arrangement" is the Acquisition and Cross-Servicing Agreement (ACSA) under which the Self-Defense Forces [SDF] and U.S. forces will cooperatively provide fuel and other logistical support. This may raise a constitutional debate over issues like the right to collective self-defense.

Emphasis on Asia

The review actually began early this year when U.S. Assistant Secretary of Defense Joseph Nye and other officials presented the "Nye Initiative," based largely on reconfirmation and reinforcement of the Japanese-U.S. security arrangement, to officials of the two countries. Behind this development was the policy of the United States, which had begun placing greater importance on Asia as a result of the latter's steady economic development. As for the Japanese Government, it can no longer count on the "Soviet threat" as justification and faces the difficult task of giving the people a viable explanation of the treaty's significance. The Foreign Ministry and other ministries feared the United States and China might join hands, bypassing Japan. "It was a task we had to tackle to keep the United States on our side" (as stated by a senior Foreign Ministry official).

A New Role

The review of the security arrangement involves changing the treaty from its traditional role — "to contain the Soviet Union" and "defend Japan" in the Cold War era — into a "bond" (kizuna) (as stated in the 1995 Defense White Paper) to help maintain Asia- Pacific stability. This means Japan also has to take a new role.

Nye listed the following problems as important in Japanese-U.S. security talks: 1) financial support for U.S. military forces stationed in Japan; 2) forecasting developments and formulating security strategies in East Asia; and 3) involvement in global problems, including UN peacekeeping operations (PKO).

Fearing Division of Public Opinion

The security treaty was reviewed so thoroughly that it would not have been surprising to see drastic revisions. However, the treaty will not be altered at all because "the country would be ihba turmoil of controversy if the provisions were altered" (according to a senior Foreign Ministry official).

Due to such caution, the review is proceeding without enough prior public debate, including Diet deliberations. The special agreement on the Japanese Government's cost burden for U.S. military forces stationed in Japan, including salaries of Japanese employees on military bases, is outside the framework of the Status of Forces Agreement [SOFA], and the new special agreement emerging from the latest talks will be farther outside. There is also a problem with the ACSA: the SDF's providing fuel to U.S. military forces and other acts may violate the Constitution, which prohibits collective self-defense.

Editorial Comments on U.S. Security Talks

OW2909082295 Tokyo ASAHI SHIMBUN in Japanese 26 Sep 95 Morning Edition p 5

[Editorial: "Subjects That Need To Be Addressed at the Japan-U.S. Security Talks"]

[FBIS Translated Text] "National security is like oxygen." The expression was used in a report on strategy for East Asia released by the U.S. Department of Defense.

There is an opinion that as the Cold War is over, U.S. forces should be withdrawn from the region. However, in a region that faces various factors of unrest, such as China's military buildup, the importance of their role as a stabilizing force has not diminished. The Pentagon claims that the role of the U.S. forces is invisible, and that people will not realize their importance until they start being removed.

At the Japan-U.S. consultations on the bilateral security treaty among four cabinet members in charge of foreign and defense affairs scheduled in New York this week, the Japanese Government will support the U.S. strategy for the Asia-Pacific region, and the two nations will confirm their belief that the bilateral security arrangements, the keystones of the U.S. strategy for this region, should be maintained and strengthened in the next century.

At the same time, they will sign a special treaty to continue Japanese support for U.S. Forces in Japan [USFJ], while agreeing to conclude an acquisition and cross-servicing agreement to tighten military cooperation between the countries. These actions will be taken to prepare for a joint Japan-U.S. statement scheduled to be announced at the November summit talks.

Asian and Pacific countries have not yet established an organization to ensure security of their region, and have only just started endeavoring to build confidence among themselves. In such circumstances, it is difficult to overlook the importance of the role of Japan-U.S. security arrangements in the region. Many Asian and Pacific nations have supported the arrangements as the political pillars that maintain bilateral relations.

The present attitude of the two governments is that the bilateral security consultations should be held to reconfirm the present arrangements, renew most of them and, if necessary, to make minor adjustments. However, will this attitude work favorably for bilateral relations in the future?

The rape of a schoolgirl by U.S. solders, and the subsequent outcry from Okinawans that has flared up against U.S. military bases following the incident, are creating a stir. While the Foreign Ministry has made a surprisingly low-key response to the anger generated, even the Liberal Democratic Party [LDP], which traditionally calls for the strengthening of bilateral security arrangements, is demanding revision of the Japan-U.S. Status of Forces Agreement [SOFA], and has questioned the way that support is given to the USFJ.

In campaign speech for the LDP presidency, Junichiro Koizumi referred to the possibility of scaling down the U.S. military bases, as well as the possibility of the Japanese Self Defense Forces replacing the USFJ's role. Municipalities and local residents living near the military bases have begun protesting against damage caused by the bases.

These actions might indicate a historic change in Japanese people's views on security. There is no doubt that the days in which Japan had no other choice but to shoulder the cost of maintaining the security arrangements to blockade the former Soviet Union are over.

In the United States, debate on the issue has been aroused as well. Some people say the bilateral security treaty should be abolished to let Japan deal with its own defense. It has been a long while since even those who acknowledge the usefulness of the security arrangements have pointed out the inequality in the way expenses are shared between Japan and the United States.

What we worry about the most is the possibility that a gap between the two countries will be created over the security arrangements in the post-Cold War era, and this will impair the basis of mutual trust. To avoid this, the two governments should discuss further, without hesitating to talk about the heart of the security arrangements.

For example, how much of the expense do Japanese taxpayers need to bear to support the USFJ? Before answering this question, Japan and the United States should first come to a firm agreement on the kind of role the USFJ must assume to maintain the security of both countries and the region.

There is a feeling that at present no such decision can be made. However, if emotional conflict over the issue intensifies because no measures are taken to solve the issue, we will all be the loser. In an effort to build up healthy Japan-U.S. ties, we must continue to provide the oxygen known as mutual trust through bilateral efforts to settle various problems, such as the economic issue, while presenting Japan's own views about the security system.

Kono Reaffirms Commitment to Palestinian Aid

OW2909023395 Tokyo KYODO in English 0140 GMT 29 Sep 95

[FBIS Transcribed Text] Washington, Sept. 28 KYODO — Japanese Foreign Minister Yohei Kono reaffirmed Tokyo's material and manpower commitments in international aid for Palestinians on Thursday [28 September] as he attended a series of gatherings on the signing of a new Middle East peace agreement.

Addressing a signing ceremony held at the White House, Kono said Japan will continue active assistance, referring to 150 million dollars already disbursed from a two-year, 200 million dollar aid package that was promised in September 1993.

"Japan considers aid to Palestinians as the most important pillar in contributing to the (Mideast) peace process," Kono said as he welcomed the new accord calling for expanded Palestinian self-rule in the Israeli-occupied West Bank and staged withdrawal of Israeli troops from there.

Kono was strongly urged to attend the ceremony by U.S. Secretary of State Warren Christopher during their talks Tuesday in New York, and the Japanese minister decided the following day to change his schedule to attend it. The two were there to address the UN General Assembly.

The invitation reflected Japan's recent commitments in the Mideast peace process, especially a Mideast tour earlier this month by Prime Minister Tomiichi Murayama, Japanese officials said.

During a cabinet-level meeting on Palestinian aid held later at the U.S. State Department, Kono reiterated the commitments promised during Murayama's tour.

Kono said in a speech Japan plans to do all it can in both material and manpower aid.

In particular, he conveyed the following aid policy advocated by Murayama.

— Continuing aid through the United Nations and other international organizations.

— Supplying medical and educational equipment to the Gaza Strip.

— Sending a survey mission for building a hospital in the West Bank city of Jericho.

— Conducting a development survey as part of contributions to sewage improvement in the Gaza Strip.

— Cooperating in a development survey in relation to an industrial complex project.

— Conducting a training program for 200 people in administrative, electric power and construction fields.

The Japanese officials said Israeli Prime Minister Yitzhaq Rabin welcomed Japan's aid, and Christopher gave high credit.

During a working luncheon held between the ceremony and the cabinet-level meeting, Rabin renewed his request to Japan on building border bridges, the officials said.

But Kono said arrangements for building cross-border bridges require time.

Egyptian President Muhammad Husni Mubarak also asked for Japan's attention to a request made earlier for a project to build a bridge in the Suez Canal.

U.S. Sounds Out APEC Principles Postponement

OW2809144895 Tokyo KYODO in English 1441 GMT 28 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 28 KYODO — The United States is sounding out Japan about the possibility of postponing establishment of the main principles for freeing trade — the key issue at November's Asia-Pacific Economic Cooperation (APEC) forum meeting — until next year, an informed APEC source said Thursday [28 September].

According to the source, the U.S. wants to postpone setting up the main principles of APEC's "action agenda" until the meeting in Manila next year on the grounds that sufficient discussion has not taken place.

The U.S. unofficially expressed the wish at APEC's senior officials meeting held in Hong Kong earlier this month, citing the lack of time before the Osaka summit in November to discuss specific contents, the source said.

The request has confounded Japan, which is concerned that "the principles might be left without a backbone," as one government official said.

The government is hurrying to confirm the real intentions of the U.S. through Yoshihiro Sakamoto, vice minister for international affairs at the Ministry of International Trade and Industry who is currently on a visit to the U.S., the official said.

The action agenda aims to liberalize trade and investment in the Asia-Pacific region by the year 2020 as called for under the Bogor Declaration last year.

Japan, which currently chairs APEC, has drawn up a draft for a second-tier free trade scheme, under which the various APEC countries will take action on their own initiative and also take joint action in 15 sectors such as tariffs, investment, deregulation and government procurement.

The second-tier scheme was drawn up in light of the differences between the U.S. and some Asian countries. While the U.S. is hoping for a strong bond within the APEC members in liberalizing the markets, some Asian countries are taking a protective stance on their domestic markets.

Experts say that Japan could find itself in a difficult position at the senior officials meeting to be held in Tokyo in early October. If Japan accepts the U.S. request to postpone the principles, the rift between APEC countries could get larger and make the drafting of the action agenda more difficult, they said.

Tokyo Critical of Delay Request

OW2909084795 Tokyo KYODO in English 0840 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — The U.S. Government has informally sounded out Japan on the possibility of holding next year's summit of the Asia-Pacific Economic Cooperation (APEC) forum in the Philippines after the Nov. 5 presidential election, Japanese Government sources said Friday [29 September].

The sources said the United States wants the summit to take place after the election but is not seeking a particular date for other APEC events like ministerial and working-level meetings.

Japan, this year's APEC chair nation, was critical of the U.S. request.

The sources said that when to hold an APEC summit should not be influenced by Washington's convenience.

"It is not natural to separate an APEC summit from a ministerial meeting," one government source said.

The sources did not elaborate on the background to the request.

A meeting of APEC leaders was launched in Seattle in 1993 in an informal manner. Another such meeting was held in Indonesia last year but there is no agreement on having a gathering every year.

This year's summit in Osaka in November was decided by a unanimous consensus by APEC leaders at their gathering in Indonesia last year.

What to do with APEC summits for 1996 or after will be fixed at the upcoming Osaka meeting, the Japanese Government sources said.

Tokyo, Seoul Officials Meet on Security Exchanges

OW2909084395 Tokyo SANKEI SHIMBUN in Japanese 26 Sep 95 Morning Edition p 1

[FBIS Translated Text] Foreign and defense ministry officials of Japan and the ROK had secret talks in Tokyo last July to pave the way for future tieup in UN peacekeeping operations, a Foreign Ministry source said on 25 September.

The two nations plan to hold security talks on the regular basis, with the second-round of talks planned for Seoul before the end of 1995 to discuss "fully-fledged security cooperation beyond basic exchanges" (as noted by a Foreign Ministry source).

They are considering joint training in preparation for UN operations and the shared use of transport aircraft, in addition to agreed military exchanges such as mutual visits by training ships. However, the Japanese and ROK officials intend to deal carefully with bilateral military cooperation in view of Korean people's deep-rooted antipathy to the idea of military exchanges with Japan.

The Foreign Ministry announced the two-day talks were held in Tokyo in late July. At the bilateral talks, division chiefs of the Japanese Foreign Ministry, the Prime Minister's Office, and the Defense Agency, as well as members of the Ground, Maritime, and Air Self Defense Forces Staff Offices met South Korean counterparts from the Foreign Ministry, the National Defense Ministry, together with Army, Navy, and Air Force officers. The consultations were arranged secretly out of consideration for the sentiments of South Korean people.

Officials of the two countries discussed ROK plans for a UN Peace Cooperation Law. Among the possible fields for bilateral cooperation, they agreed to discuss the feasibility of such proposals as 1) joint exercises and seminars on UN operations, and 2) mutual use of transport aircraft.

Defense exchanges and security dialogues are expanding between Japan and the ROK. The two nations actively exchange field grade officers in defense academy programs. A Japanese training ship will visit the ROK as early as autumn 1996 for the first time since the end of World War II. Moreover, the two nations are paving the way for defense ministerial talks on a regular basis.

At first the Japanese Government thought "fully-fledged security exchanges would be unlikely with the ROK because of the anti-Japanese feeling among Korean people" (as noted by a Foreign Ministry source). However, Japan later concluded "the ROK Government is showing a desire to take an active role in UN peace operations" (a government source said).

The bilateral talks on UN operations are aimed at obtaining 1) the intermediation of the United Nations, which may be helpful in achieving a breakthrough in sensitive issues between the two nations, and 2) the ROK's better understanding of the Japanese policy toward UN peace operations. For the time being, the two nations intend to seek fully-fledged military cooperation, starting with nonmilitary tieups in such fields as reform of the burden-sharing systems in UN operations. The abovementioned Foreign Ministry source noted "the issue should be handled carefully in view of public opinion in the ROK."

Public Money for Bad Loans Idea Concerns Team

OW2809130395 Tokyo KYODO in English 1145 GMT 28 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 28 KYODO — A project team from the ruling coalition parties Thursday [28 September] expressed misgivings over whether taxpayers' money should be used to liquidate financial institutions' huge bad loans, party sources said.

The Ministry of Finance gave the team an explanation of the government's policy on the bad-loan problem and an interim report by an advisory body to the finance minister, both of which were revealed Wednesday.

Members of the team — from the Liberal Democratic Party (LDP), the Social Democratic Party and new party Sakigake [Harbinger] — said that it would be wrong to consider using public money without giving the matter serious thought and that problems relating to financial policies were not mentioned.

The government and the advisory body have approved conditional use of taxpayers' money to solve the bad-loan problem. But the team members said public money should be the last resort in such a case.

The team asked the Finance Ministry to make a final decision at their next meeting Monday on whether debt-ridden housing loan firms should continue to exist or be liquidated because their shareholders and creditors have not yet reached an agreement on this point.

The team also said the ministry is responsible for the bad-loan problem. It said the interim report did not mention the reason why financial institutions affiliated with agricultural cooperatives lent money excessively to noncooperative members.

Meanwhile, a project team of LDP legislators, who have close ties to the agricultural industry, Thursday reaffirmed its principle that housing loan companies should be disposed of based on the responsibility of the founding banks.

The team notified in writing LDP Secretary General Koichi Kato, two other party officials, Finance Minister Masayoshi Takemura and others concerned.

Hakuo Yanagisawa, head of the team, said he has a high opinion of the interim report on the bad-loan problem. "It is a well-balanced report," he said, "but our views have not yet been fully reflected in it."

Given the process of the establishment of housing loan firms and the reason why they collapsed, their founding banks should naturally take responsibility for the liquidation of the problem loans, Yanagisawa said.

But he did not make it clear whether public money, including fiscal funds, should be used to liquidate their nonperforming loans, saying it is difficult to talk about the issue unless concrete figures are mentioned.

Miyazaki Urges Loan Disposal by Public Funds

OW2909051995 Tokyo KYODO in English 0324 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — Japan's top economic planner called Friday [29 September] for conditional use of taxpayers' money to finance the disposal of heaps of bad loans at financial institutions that are threatening to suffocate the economy.

Economic Planning Agency (EPA) Director General Isamu Miyazaki told a news conference, "there are no alternatives but to use public funds if depositors cannot be protected even after lending institutions share the responsibility of covering (bad loan-related losses)."

Miyazaki demanded, however, that the bad loan-saddled financial institutions firstly discipline their managers, disclose information on bad loan-related financial records and share the cost of disposing of huge problem loans before the government resorts to using public funds.

"As even the provision of special (beneficial) loans from the Bank of Japan would amount to using citizens' money, financial institutions should clarify their management responsibility, disclose relevant information thoroughly and share among themselves the responsibility (of disposing of bad loans)," he said.

Miyazaki threw his weight behind recommendations in an interim report unveiled Wednesday by the Financial System Research Council that called for creating institutions for taking over the assets and liabilities of failed credit unions, hiking the rate of premiums for Deposit Insurance Corp., in addition to the use of public funds.

The panel's recommendations "have shown the right directions (for disposing of the bad loan issue) and this will have a favorable influence (over the entire economy)." he said.

Miyazaki expressed dismay at the 1.1 billion dollar bond investment blunder committed by a trader at the New York branch of Daiwa Bank, one of Japan's major commercial banks. The loss has forced the bank to decide to write it off in its midterm settlement of accounts for the first half of fiscal 1994.

"Daiwa bank is in trouble," he said.

The trader is alleged to have conducted 11 years of unauthorized U.S. Treasury securities transactions, prompting calls for greater risk management and internal supervision of deals by traders at Japanese financial institutions.

He said the 2.4 percent month-to-month rise in the August industrial production index to 94.5 has not changed his overall assessment that the economy is still at a standstill and developing more signs of weakness.

The index staged a rally after extending its month-to-month losing streak to the fourth straight month up until July.

The index is projected to rise again by 2.9 percent in October after seeing a 2.5 percent month-to-month drop in September, according to the preliminary report by the Ministry of International Trade and Industry.

Miyazaki said, "although the October figures are an improvement again, this will not constitute a good sign that warrants the economy will improve (as a whole)."

Takemura on Housing Loan Firms in Interim Report

OW2809135595 Tokyo ASAHI SHIMBUN NEWS CONFERENCE REPORT in Japanese
1238 GMT 27 Sep 95

[Question-and-answer session with Masayoshi Takemura, finance minister, with unidentified reporters at a news conference held at the Ministry of Finance on 27 September]

[FBIS Translated Excerpt] [Reporter] Concerning the housing loan companies [jusen], you have said that a concrete policy would be announced by the end of September. Inspite of that promise, the interim report on bad loan disposal seems to be a bit unspecific. What do you say to this?

[Takemura] We have looked into the jusen issue extensively and are getting hold of the latest data. Such data has also been discussed by the Financial System Research Council [FSRC]. With this, the council has, as I said earlier, made serious efforts to grasp the whole picture of the jusen problem, and it has touched on ways to solve the problem to a certain extent, as evidenced by the inclusion of passages on establishing an entity to take over the bad loans.

However, due to the political considerations that I just explained a while ago, the Finance Ministry would rather refrain from presenting concrete policies here and now. Yet, we do not also intend to defer the issue any longer or spend more time on it. In that sense, we have made it clear that we will have the policies before the end of the year.

[Reporter] If negotiations among the parties concerned do not lead to an agreement, does the Finance Ministry plan to take up any intermediary role — for instance, by acting as the "referee"?

[Takemura] I cannot tell you right now what are the concrete plans we have. I think it is necessary for serious discussions like that to reach a conclusion. We will coordinate the ideas that will come out and formulate a solution based on them. For this purpose, we would like all parties involved to exert efforts from their own standpoint. The Finance Ministry will also do its best.

[Reporter] Public funds have been discussed quite extensively in the report. In the case of the jusen, do you think there is a possibility of injecting public funds?

[Takemura] Well, the conclusion that will be reached.... I told you I will limit myself to a progress report on the jusen today. What we will do is continue to study the issue. First, we need to consider whether it is possible to deal with the bankruptcy solely through utmost efforts within the banking system. After taking that step, if there should still be a need to avoid direct financial burdens on the depositors to cover the cost of liquidation, limited introduction of public funds may become a subject to consider. In any case, we need a little more time to reach a concrete conclusion on the use of public funds. [passage omitted]

[Reporter] With regard to the jusen issue, are there any plans to hold intensive deliberations at the extraordinary Diet session, for instance, by creating a special committee?

[Takemura] This will be Diet's business. On the part of the administration, we do not have any plans to seek such deliberations. We will, however, deal with the Diet's decision seriously.

[Reporter] The administration's responsibility or its failure to provide proper guidance is mentioned in the FSRC interim report. What do you think of this?

[Takemura] Well, I think we will have to admit humbly that the report has touched on this subject.

[Reporter] Admitting this humbly, how, then, should the administration fulfill its responsibility?

[Takemura] To speak of responsibility, it all depends on which responsibility you have in mind. It is a fact that the jusen started with housing loans for individuals and it shifted gradually to loans for businesses. When you look back and consider what the roles of the parties concerned were in the whole affair, and how the administration and the Finance Ministry acted, they all served as a soul-searching material. Here, what you mean by responsibility is different from any form of criminal liability. In the final analysis, the political authorities were responsible in a way, and of course, we need to reflect on various aspects of the financial policy during the period of the bubble economy. [passage omitted]

Tokyo Assembly Approves Cosmo Loan Disposal

OW2909024595 Tokyo KYODO in English
2354 GMT 28 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — A Tokyo Metropolitan Assembly panel narrowly approved early Friday [29 September] a controversial 20 billion yen grant to help dispose of problem loans from failed credit union Cosmo Credit Corp.

The assembly's special budget committee voted 12 to 11 shortly after midnight Thursday to authorize a fiscal 1995 supplementary budget containing the grant, which is to be paid in annual installments over a period of 10 years.

The assembly is expected to endorse the extra spending plan in a plenary session later Friday.

The vote came hours after the Liberal Democratic Party (LDP) and three other parties in the metropolitan assembly agreed Thursday to vote for the budget together with an amendment, and a day after Tokyo Gov. Yukio Aoshima dropped his election campaign promise not to use public money to bail out two other failed credit unions.

The extra budget calls on the metropolitan government to inject a total of 20 billion yen into a bailout package for Cosmo and spend 2 billion yen in a first installment for the current fiscal year alone, which ends March 31.

But the amendment calls on the metropolitan government not to spend the first installment until it maps out measures to strengthen financial health among credit unions, which are now under the jurisdiction of each prefectural government.

It also requires the metropolitan government to review its financial contribution to the bailout package after the central and prefectural governments agree on how to share the cost of rescuing the failed credit unions.

The amendment also prohibits the metropolitan government from using a 30 billion yen special reserve, originally set aside for a rescue package for failed credit unions Tokyo Kyowa Credit Association and Anzen Credit Bank.

The supplementary budget has been in the spotlight because it involves an injection of public money for cosmo, which went bankrupt due to its own lax lending practices. Aoshima had pledged in an election campaign not to use taxpayers' money to bail out Tokyo Kyowa and Anzen.

The LDP had said it could not approve any use of public money for Cosmo unless Aoshima dropped his promise not to use taxpayers' money for a bailout plan for Tokyo Kyowa and Anzen.

Takemura Praises Cosmo Aid

OW2909051795 Tokyo KYODO in English
0336 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — Finance Minister Masayoshi Takemura on Friday [29 September] welcomed the approval by a Tokyo Metropolitan Assembly panel on a controversial grant to help dispose of problem loans held by failed Cosmo Credit Corp.

Takemura said at a news conference after a regular cabinet meeting, "we appreciate efforts by the assembly executives...and will keep an eye on deliberations at a plenary assembly session."

Earlier Friday, the assembly's special panel narrowly approved a fiscal 1995 extra budget containing the 20 billion yen grant for a cosmo disposal scheme on condition that the metropolitan government review its financial contribution after central and prefectural governments agree on how to share the cost of liquidating failed credit unions.

Takemura said the government will continue discussing for some time the viability of injecting public funds and burden-sharing for the disposal of failed credit unions, which are now under jurisdiction of prefectural governments.

On another of the metropolitan's controversial financial support measure for the disposal scheme of two other failed Tokyo-based credit unions, Takemura reiterated hopes that the assembly would agree on the 30 billion yen aid originally planned under the government-led bailout package.

"I hope they will hammer out a solution in line with our agreement," Takemura said.

Recently, Tokyo Gov. Yukio Aoshima reportedly dropped his election campaign promise not to use taxpayers' money to bail out the two failed credit unions — Tokyo Kyowa Credit Association and Anzen Credit Bank.

Concerning the second supplementary budget, the outline of which the cabinet approved earlier in the day, Takemura said he expects it to bring brightness to the nation's slumped economy.

Takemura also said the government will work out additional steps, if necessary, to help prop up the economy.

The finance minister said guidelines unveiled Thursday on stock investment by ministry employees cover all possible restrictions under the circumstances.

The ministry asked all its employees to refrain from buying or selling shares of companies under the jurisdiction of their departments, and urged higher-ranking personnel and those in charge of securities policy to steer clear of stock margin trading, or trading on credit, short-term transactions for quick profits, and stock options and futures.

Asked what he thought about being named as the "worst finance minister of the year" by the British financial magazine EUROMONEY, Takemura said the magazine had a misconception about his ministry's policies and measures.

He said the reasons cited by EUROMONEY for the award included "many misunderstandings."

The award was probably made against the backdrop of the yen's rapid appreciation this spring, financial problems such as failed credit unions and Japan's overall poor economic conditions, Takemura said.

Now that he and the Finance Ministry have tackled these issues, he could be selected as "the best one" at this moment, Takemura said.

MOF Employees Urged Not To Invest in Stocks

OW2809130895 Tokyo KYODO in English
1224 GMT 28 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 28 KYODO — The Ministry of Finance [MOF] on Thursday [28 September] announced a set of self-restraint guidelines for stock investments by its employees as a way to prevent a recurrence of the recent scandal involving a former senior ministry official.

The guidelines are intended to regain public trust in the ministry severely damaged by the scandal, a ministry official told reporters.

They urge all employees to refrain from buying and selling common stock, convertible bonds and bonds with equity-purchase warrants of companies placed under supervision of their departments.

Division heads and higher personnel should stay away from stock margin trading, short-term transactions aimed at reaping quick profits and more speculative stock options and futures, the guidelines say.

Similar guidelines are applied to employees in charge of securities policy and those at the Securities and Exchange Surveillance Commission, a securities watchdog set up as the ministry's auxiliary organ to prevent the loss-covering securities scandals which surfaced in 1991.

The guidelines were announced in line with codes of practice on stock investment for national public servants, which were released by the government earlier in the day.

The government made such codes following the recent revelation that a former senior Finance Ministry official received 60 million yen in donations to finance securities investments.

Outline of 2d Supplementary Budget Approved

OW2909012595 Tokyo KYODO in English
0102 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — Prime minister Tomiichi Murayama's cabinet approved Friday [29 September] the outline of a second supplementary budget for fiscal 1995, worth 5,325.2 billion yen, as part of the pump-priming package adopted Sept. 20.

The cabinet is scheduled to make a final decision Oct. 4 on the second extra budget for the fiscal year, which started April 1, for immediate submission to the Diet, government sources said.

The extra budget, the largest-ever for an economic package, features 4,715 billion yen in outlays, including 3,393.7 billion yen for public works projects, from the government's general account for the 14.22 trillion yen pump-priming package.

To finance these expenditures, 4,702 billion yen worth of government bonds are to be issued — 4,491 billion yen in construction bonds and 211 billion yen in deficit-covering bonds, bringing the total amount of government bond issues during the year to 20,126 billion yen, Finance Ministry officials said.

As a result, the balance of outstanding public bonds is expected to reach 221 trillion yen at the end of fiscal 1995, with the bond-dependency ratio or the percentage of bond issues to total revenues coming to 25.5 percent, the highest since fiscal 1983 when the ratio hit 26.6 percent, the officials said.

The government and ruling coalition parties plan to complete parliamentary procedures to enact the legislation for the extra budget by the end of October, the government sources said.

Besides the expenditures for the package, the extra budget earmarks 483.7 billion yen for additional obligatory expenses such as grants for national health insurance and unemployment insurance, the ministry officials said.

The budget also disburses 566.3 billion yen to make up for the account deficit posted in fiscal 1993, the officials said.

On the revenue side, it allocates a 607.7 billion yen surplus carried over from the fiscal 1994 budget.

In addition to the extra budget of the general account, the cabinet also approved additional disbursement worth 123.4 billion yen for the fiscal investment and loan program operated by government-funded corporations.

'Full Text' of Murayama's Diet Speech

OW2909090595 Tokyo KYODO in English
0852 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — The following is the full text of Prime Minister Tomiichi Murayama's policy speech to the Diet on Friday [29 September].

At the opening of this 134th session of the Diet and first Diet session since the 50th anniversary of the war's end, I would like to state my views on main policy issues before us.

(Introduction)

In the one year and three months since taking office last June, my government has worked to effect political reform, tax reform, decentralization, and other reforms that had been pending for many years since the war.

In addition, I issued a statement this August 15 on the occasion of the 50th anniversary of the war's end elucidating for Japan and all the world to hear our intention to pursue a foreign policy grounded upon an awareness of history and a dedication to world peace. At the same time, I am confident that we have been able to reach an accommodation on the issues of hibakusha [atomic bomb victims] relief, the so-called "comfort women," and other issues arisen from the war.

Yet despite the major shift that has taken place in the international political and economic status that prevailed for so long after the war's end, the fact remains that Japan is still strongly influenced by the political, administrative, and socioeconomic structures formed during the era of postwar recovery and growth.

Of course, there are many distinctively Japanese systemic arrangements and practices that should be preserved and passed on to future generations, and it is today imperative that we engage in serious debate over what it was that sustained Japan's postwar development, which of these elements constitute impediments to future development, and which are crucial to Japanese and global development in the years and decades ahead and that we undertake radical reforms for the future.

Building upon the relationships of trust that have been forged among the three government parties, I will work with this new team and am determined to do my utmost to deal successfully with the domestic and international issues as outlined herein.

(Economic Policies)

Our most urgent imperative today is that of devising and implementing effective economic policies. In addition to the damage inflicted by the bubble's collapse, the Japanese economy has been in a holding pattern for quite some time due to the earthquake, the yen's appreciation, and other factors since the start of the year, and the overall situation remains grim.

Seeking to rectify this situation, the government has embarked upon a seamless stream of stimulative policies since early this year, including emergency measures for yen appreciation and the economy and measures for implementing and supplementing them as well as measures to promote overseas investments and loans aimed at correcting the yen's appreciation.

While there have been some hopeful signs in the foreign exchange and stock markets, we recently announced a new package of economic measures on Sept. 20 in the belief that now is the time for appropriate and effective measures so as to seize the moment and to put the economic recovery on an even-sounder footing.

This package of economic measures is a three-pronged effort including (i) the largest-ever impetus to domestic demand with priority attention to such areas as enhancing the quality of Japanese life and promoting the creation of new industries, (ii) policies to overcome the imminent problems as quickly as possible such as by promoting more efficient land use, revitalizing the securities markets, and assisting employment and small and medium-size enterprises (SMEs), and (iii) policies to advance further structural reform of the economy.

The package focuses not only on furthering such hardware aspects as public investment but also on enhancing such software aspects as research and information technologies. At the same time, we are taking a comprehensive and vigorous look at taxes on land in line with recent economic conditions and the idea of the basic land law and hope to have a conclusion in time for the revision of the tax system in fiscal year 1996.

Likewise, this package not only includes efforts to promote reconstruction-related projects after the Hanshin-awaji great earthquake but also includes an effort to promote agriculture, including improving the agricultural infrastructure for higher-productivity agriculture in line with the need for independent development by Japanese farming and farm villages and based upon the outline of measures related to the Uruguay Round agriculture agreement.

Likewise seeking to ensure the integrity of that financial system which may be called the lifeblood of the economy, we will continue to respond determinedly to facilitate the prompt resolution of the problems posed by the financial institutions' nonperforming loans. The Financial System Research Council has recently completed drafting its interim report and every effort is being made to draw up effective policies by the end of the year for enhancing investor insurance and responsive to such issues as the troubles besetting the housing loan companies.

Determined to do everything possible to escape this economic maelstrom that menaces the people's livelihoods and threatens to undermine the foundations for economic and industrial activity by the SMEs and others, this "economic recovery cabinet" is closely monitoring exchange rates and other economic indicators in Japan and overseas and is making the utmost effort for responsible and flexible economic management.

I sincerely hope that this session of the Diet will promptly enact the second supplemental budget bill, the bills relating to the economic policy package's implementation, and other legislation underlying this effort.

As was clearly demonstrated in the recent economic policy package, this "reform government" is working on economic structural reform, administrative and fiscal reform, and more consistent with the continuing urgent imperative for reform from the medium- to long-term perspective to create socioeconomic structures that befit the 21st century, that are free and infused with energy and creativity, and that are in harmony with the international economy in this emerging new era in which all countries and all regions of the world engage in fierce cross-border competition.

(Promoting Deregulation)

The first thing to do here is to ease those restrictions and to rectify those business practices that crimp social and economic vigor. It is imperative that we enhance free economic mechanisms in which market principles work more effectively by moving ahead resolutely with deregulation focusing on the priority areas of land and housing, information and telecommunications, distribution and transport, and finance and securities and by correcting opaque private-sector business practices.

In so promoting deregulation and other reforms, however, it is important that there be thorough discussion on the pursuit of free competition and entailing individual self-responsibility. Building upon the lively deliberations in the administrative reform committee, I am determined to respect their views to the fullest and to enhance the deregulation action program by the end of this fiscal year. Of course, easing and abolishing specific regulations requires the determination of the government agencies involved and their efforts for systemic reform.

Yet I am confident that we can, with thorough discussions and resolute implementation, achieve true reform and thereby narrow or eliminate those price differentials between domestic and overseas markets that are indicative of Japan's high-cost economic structure and that keep the people from enjoying their affluence to the fullest.

(Promoting Economic Structural Reforms)

Pushing back the economic frontiers and making an even greater effort for socioeconomic revitalization is another important pillar of economic structural reform. I do not need to remind you that creative cutting edge science and technology, advanced information communications, and the rest are all intellectual assets sustaining a country's future and that they constitute the foundations from whence are born affluent standards of living and sophisticated industries.

Making up for Japan's late start in these areas, we will, along with seeking to achieve prosperity based upon scientific and technological creativity, promoting enhancement of the research and development infrastructure, and revitalizing research and development activities through closer coordination among government, industry, and academia, also make vigorous effort to, inter alia, develop the information communications technologies and infrastructure needed to promote and accelerate the impulse toward the creation of an advanced information society.

Likewise, the creation of new areas of business is a driving force behind the development of new industrial sectors, contributes to quality employment opportunities, and is very important in reforming Japan's industrial and employment structures, and we thus intend to propose legal amendments designed to facilitate entrepreneurs' access to capital, personnel and technology.

Given Japan's position and role in the international community, promoting harmony with the rest of the international economy is also another important policy issue. Accordingly, we will seek to strengthen measures for promoting imports and investment in Japan, including measures in support of import industries in import promotion areas.

Likewise, we will also work to promote the development of new businesses and to improve residential infrastructure, including enhancing support for those facilities and businesses eligible under the Private Participation Promotion Law. In addition and looking ahead to the 21st century when Japan's demographics will have shifted to the older strata, the government will continue to make a steady effort for social infrastructure improvement in line with the basic plan for public investment and will otherwise work to promote policies contributing to domestic-demand-led economic management.

Along with promoting these economic structural reforms, the government will draw up a new economic plan this year and intends to develop a vision for Japan's socioeconomic development looking ahead to the 21st century.

(Resolute Administrative and Fiscal Reform)

If we are to develop a free and energetic society, the first imperative is that the government take the lead in making a serious self-reform effort, and we must do our utmost for administrative and fiscal reform.

The kind of government that we seek to create is one that is able to exercise strong leadership in times of emergency and is capable of responding flexibly to policy issues as they arise at all times — what might be called an effective and resilient government.

Achieving such a government requires that every effort be resolutely bent to continuing the process of administrative reform, including not only eliminating sectionalism and turf wars among administrative departments and always putting ourselves in the people's shoes but also taking a hard look at our governmental modes from the international perspective and pushing ahead with the deregulation efforts that I mentioned earlier, as well as ensuring decentralization, information disclosure, transparency in council deliberations, and more.

Decentralization is an issue of particular urgency, be it in keeping with the overriding principle that administration directly affecting the people's lives should be done under the direction of officials directly elected by the people affected and by local governmental agencies or be it to enable the national government to focus on its core responsibilities. With specific recommendations from the decentralization promotion committee, I intend to draw up a decentralization promotion program without delay, to increase the devolution of responsibility, to ease or eliminate national intervention, to enhance local taxes and other revenue sources, to improve local administrative structures, and otherwise to accelerate the trend to decentralization.

At the same time, we must not forget to ask ourselves if perhaps the national government and private industry or the national and local governments have not gotten a little too comfortable in their relations and if the explanations and information disclosed to residents was always sufficient. It is only with such serious discussion and the self-awareness that it promotes in all sectors of society that the principle of self-responsibility can be accepted by all people everywhere, that we can gain a consensus on what areas government policies are needed in, and that we can achieve true administrative reform.

It is also imperative that there be very intent discussion of government finances, now in a perilous state. While our finances are in very difficult straits, it was decided in the recent package of economic policies to resort to additional bond issues, including deficit-financing bond issues, so as to deal with the immediate economic situation.

As a result, the fiscal situation will necessarily get worse. Yet there can be no deferring those fiscal outlays that are truly needed for fundamentally reforming our economic structures and responding to the diverse needs of an aging society if we intend to create a vigorous society looking ahead to the 21st century.

On the other hands, it is axiomatic that government spending programs are paid for by the taxpayers and are ultimately borne by the people of today and tomorrow. Along with working for sound and appropriate economic and fiscal management so as to avoid bequeathing an onerous legacy of debt to our children and grandchildren while at the same time flexibly meeting the fiscal demands of diverse administrative needs, it is thus imperative that we promote administrative reform and fiscal reform as an integrated whole.

(Safe and Anxiety-Free Social Structures)

While earthquakes, random terrorism, and other events have resulted in a heightened sense of insecurity, government has a basic responsibility to create safe and anxiety-free social structures, and this is one of this cabinet's top priorities.

Especially with reference to the Hanshin-awaji great earthquake earlier this year, building upon the recommendations of the Hanshin-awaji Reconstruction Committee and fully aware of this region's importance in the nation's society and economy, we will continue to make every effort for a full recovery.

Wanting to create a country that is, and neighborhoods that are, resilient in the face of earthquakes and other natural disasters, we have recently drawn up the new basic plan for disaster prevention containing the guidelines for disaster management from disaster prevention through immediate relief efforts and long-term recovery and rehabilitation, and we intend to draw upon this new basic plan for comprehensive guidelines in time of disaster.

In addition, along with working to speed up the collection and dissemination of information on the extent of the disaster and to enhance the rapid response relief efforts, we intend to submit amendments to the basic law for disaster relief and other legislation to this session of the Diet so as to strengthen and enhance the national government's rapid response capabilities. Ensuring that the valuable lessons learned are not lost and working to enhance our overall disaster response capabilities is, I believe, the best homage we can pay to those who lost their lives.

The frequency of random terrorism and violent crime involving the use of firearms is an unforgivable affront to the kind of safe and anxiety-free society that we seek to create. Given particularly that the use of sarin and other products suitable as weapons of mass destruction against a peaceful civilian population in the many incidents fomented by Aum Shinrikyo adherents and others shocked everyone in Japan and overseas, we are promoting cooperation with the other countries concerned and making a coordinated effort to prevent any recurrence of such events.

With regard to gun crimes, we have established a firearms countermeasures promotion headquarters and are promoting comprehensive policies including vigorous enforcement of the laws plus wide-reaching educational campaigns. Looking ahead, we intend, both getting to the root causes of these incidents and taking action to see that they not recur, to regain that good public order that we have been so justly proud of here.

At the same time, nor may we forget to create a just society in which the people can live healthful and anxiety-free lives. Along with devising responses to the problems of care for the aged and the scarcity of children, problems made more serious by the aging of the population and the popularity of the nuclear family, we will also continue to make every effort to further enhance health care and welfare provisions so that the handicapped can lead normal lives as well as to work for the creation of a discrimination-free society in which everyone's human rights are respected.

In addition, the great efforts of all concerned have recently yielded considerable progress on the Minamata [mercury poisoning] problem, and we intend to continue to make every effort to achieve a comprehensive and final resolution as soon as possible.

Many people have come to feel that the legal provisions regarding religious organizations should be reviewed and revised in that social conditions and religious organizational realities have undergone such very considerable changes since the Religious Organization Law was passed in 1951 that the law as it now stands is not always attuned to the situation as it exists.

While firmly respecting the principles of freedom of religion and separation of religion and politics, the government intends to undertake the necessary amendments to the law in line with the results of the careful deliberations in the Religious Organizations Council.

(Contributing To International Peace and prosperity)

Unending efforts are being made to create a new framework for the international community in the wake of the Cold War's end, but the world is still fraught with elements in flux. The situation today is such that a country can only achieve security and prosperity within a climate of international security and prosperity, and it is imperative that Japan play an even more active role for world security and prosperity in many areas.

The first priority issue after the Cold War is the peaceful solution of regional conflicts. I visited the Middle East recently and saw the Middle East peace process has entered a new phase moving steadily toward peace since the historic agreement between Israel and the PLO two years ago.

Seeking to support this historic momentum for peace, I urged the leaders to greater efforts in the peace negotiations and expressed our positive attitude toward continuing economic assistance as well as other contributions to support them.

At the same time, I explained to those leaders that, with a view to contributing further to peace between Syria and Israel as well as to United Nations peacekeeping operations, the government of Japan has initiated preparations for the dispatch of Self-Defense Forces to the peacekeeping operation in the Golan Heights looking toward next February.

The conflict in former Yugoslavia is another issue that the entire international community should seek to bring to a peaceful resolution, and Japan will not only continue to do all it can in the diplomatic arena in support of peace but will also cooperate with humanitarian support and other means as appropriate.

Another priority issue for the international community following the end of the Cold War is the promotion of nuclear disarmament and nonproliferation. With the decisions this May to extend the nuclear Nonproliferation Treaty indefinitely and on the principles and objectives for nuclear nonproliferation and disarmament, Japan, as the only country to have suffered nuclear attack, will continue to strongly call upon all nuclear weapon states to make serious efforts for nuclear disarmament toward the ultimate elimination of all nuclear weapons.

It is extremely regrettable that China and France have conducted nuclear tests at this time when the nuclear weapon states are expected to exercise the utmost restraint in testing. Japan will continue to strongly call for the cessation of nuclear testing in various international fora and will make maximum efforts for the conclusion of negotiations on a comprehensive nuclear test ban treaty at an early stage next year.

In response to the changes in the international situation in the post-Cold War era, we will also continue to vigorously review what defense capabilities are appropriate for the Self-Defense Forces from an overall perspective.

Supporting efforts to eradicate poverty and to shift to market economies and efforts to deal with such global issues as food, the environment, human rights, population, AIDS, and narcotics is another most important pillar of Japan's international contribution, and these are areas in which it is essential that Japan continue to play an even more vigorous role.

Thus it was that Japan announced a new initiative on women in development (WID) at the Fourth World Conference on Women in Beijing. This initiative attaches special importance to the three priority areas of improving educational standards, women's health, and economic and social participation for women. We will make efforts to expand our development assistance in this field for the implementation of this initiative. We intend to make an active contribution to sustainable development in the developing countries with this initiative.

The United Nations is the central forum in seeking to resolve the issues the international community faces, and, on the commemorative occasion of the United Nations' 50th anniversary, reforms aimed at strengthening the functions of the United Nations should be pursued. Japan sees reform of the Security Council, reforms in the economic and social fields, and administrative and financial reform as the three key areas of UN reform, and we will continue to work in cooperation with the other members of the organization for the early realization of reforms in these three areas.

Minister for Foreign Affairs (Yohei) Kono has very recently stated at the General Assembly this government's thinking on, among other things, the importance of development from a new perspective, issues relating to the settlement of conflicts and disarmament and arms control, and United Nations reform. Likewise, Japan, for its part, intends to take advantage of the special commemorative meeting on the occasion of the 50th anniversary of the United Nations to be held late next month to emphasize anew the importance of United Nations reform.

(For Further Development in the Asia-Pacific Region)

This year, the 50th anniversary of the end of the war, Japan is hosting the APEC [Asia-Pacific Economic Cooperation] economic leaders' and ministerial meetings in Osaka. The Pacific, once a "sea of battle" with fierce conflict raging, is now becoming a "sea of bounty" achieving more rapid growth than any other region of the world. Founded upon the belief that we should jointly promote economic development in the Asia-Pacific, APEC has, with this region's increasing importance in the world economy, become an indispensable element in sustained economic growth for the world at large.

The APEC Osaka meetings are extremely important conferences holding the key to the promotion of open regional cooperation in the Asia-Pacific. As APEC chair this year, Japan intends to draw up an action agenda for furthering the liberalization and facilitation of trade and investment and promoting economic and technical cooperation, as well as to submit an ambitious package of "initial actions" demonstrating at home and abroad our firm determination to implement the action agenda. We are resolved to play a responsible role for the success of the meetings.

It is important to Asia-Pacific, and to world, peace and prosperity that we further develop our friendly bilateral relations of cooperation with the United States and the Asian countries.

Looking first at the Japan-U.S. relationship, President (Bill) Clinton is scheduled to visit Japan in November. On this occasion, we will outline the basic framework of the Japan-U.S. relationship looking toward the next century. We will firmly maintain the Japan-U.S. security arrangements, which provide the political foundations for the broad cooperative relationship between Japan and the U.S., and will endeavor to ensure the smooth and effective operation of these arrangements.

In this light, the government will submit to this session of the Diet for approval a new agreement concerning the cost-sharing program for U.S. Forces in Japan. At the same time, we intend to make serious efforts to solve the various issues arising from the presence of the U.S. Forces while being careful not to hinder the attainment of the objectives underlying the Japan-U.S. security treaty.

Above all, we deplore the harrowing incident in Okinawa early this month in which a primary schoolgirl was victimized. In view of public opinion nationwide, let alone the feelings of the residents in Okinawa, we are determined to take appropriate measures while demanding the U.S. prevent a recurrence. On the Japan-U.S. economic relationship as well, we intend to continue to strive for its sound workings in the spirit of cooperation.

Our policy toward the Korean peninsula is based on the promotion of friendly and cooperative relations with the Republic of Korea. On the issue of North Korea's nuclear weapons development, we will contribute actively to the Korean peninsula Energy Development Organization in concert with the United States and the Republic of Korea.

We will deal with the issue of the normalization talks with North Korea in close contact with the Republic of Korea and other countries concerned, taking into consideration the aspect of contributing to peace and stability on the Korean peninsula.

It is extremely important to the stability and prosperity of the Asia-Pacific region, and of the world at large, that we build stable and friendly relations of cooperation with China. Along with continuing to support China's policies of reform and openness, we intend to strengthen our candid, serious dialogue with China on the entire range of issues before the international community, including nuclear disarmament.

On relations with Russia, overcoming the negative legacy of the past as seen in the northern territories issue and thereby fully normalizing the bilateral relationship can also make a major contribution to peace and stability in the Asia-Pacific region. Having recently sent a message to President (Boris) Yeltsin urging a political decision to resolve the territorial issue, I intend to continue these tenacious efforts in line with the Tokyo declaration and will work in order to make progress on developing balanced Japan-Russia relati
political and the economic fields.

(Improving Politics and Administratio

In dealing with these primary issues of n
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more what kinds of debate are needed
of actions should be taken for the future
and our people.

It is also imperative that we humbly h
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trust of administration and civil servic
is essential that civil service personnel,
the people, make an even greater effo
the highest ethical standards and not to
suspicion or distrust.

(Conclusion)

Even though we face a number of tryin
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people will consider themselves fortuna
born Japanese.

No matter how difficult attaining these e
I am determined not to give up but t
issues head-on and to continue to guide t
for their realization availing myself of
wisdom and acting in good faith.

In this, I ask for the understanding and
my fellow members of the Diet and all

Murayama's Diet Speech Stresses Eco

OW2909052595 Tokyo KYODO in Engl
0518 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept
— Prime Minister Tomiichi Murayama

determination Friday [29 September] to bring Japan's economy out of its longest and deepest downturn since the end of World War II.

"The most urgent task is to get the stalled economy back in motion," Murayama said in a major policy speech at the outset of a 46-day extraordinary Diet session.

The prime minister said his cabinet would "do its utmost to take flexible economic management steps," noting the government will have a second supplementary budget for fiscal 1995 acted upon during the current sitting.

The 71-year-old Murayama, who heads a tripartite coalition, said the 14.2 trillion yen pump-priming package his government released last week contained the largest domestic demand-spurring measures ever.

Murayama, who came to power in June last year, went on to say the package also includes steps to add liquidity to land transactions, revitalize the anemic stock market, help create new businesses and support smaller companies.

Citing the need to ensure the health of the country's entire financial system, the premier reiterated the government will strive to formulate by the end of the year a policy package toward helping lending institutions struggling with huge bad loans.

Murayama fell short, however, of presenting specific ways to help dispose of nonperforming loans such as the injection of public money into the financial system.

bankers loaned excessively to property speculators who subsequently went bust in the collapse of the real estate market. They have at least 40 trillion yen in bad loans on their books.

As a means of promoting nuclear disarmament and stemming the spread of nuclear arms, Murayama pressed the five declared nuclear powers — Britain, China, France, Russia and the United States — to take visible action.

The prime minister rebuked China and France, among others, for their continued nuclear testing, saying countries possessing nuclear weapons have a moral obligation to refrain from conducting nuclear experiments.

While vowing stepped-up international efforts to help prevent further nuclear testing, he also made it clear that Tokyo will try its best to help conclude the proposed comprehensive test ban treaty at the earliest possible time next year.

Despite Japan's repeated protests, China and France show no sign of altering their policy of going ahead with nuclear tests.

Beijing set off nuclear explosions twice this year, in May and August, while paris restarted nuclear testing in the South Pacific earlier this month.

Murayama also touched on three U.S. servicemen's alleged rape of a schoolgirl in Okinawa Prefecture, southwestern Japan, earlier this month.

Describing the incident as "extremely regrettable," the nation's chief executive promised once again that Tokyo will urge Washington to ensure that such things are not repeated on Japanese soil.

At the same time, though, Murayama stated Japan's adherence to its bilateral security arrangements with the U.S. and added he will reinforce the importance of relations between the two nations with president Bill Clinton in November.

Clinton will come to Japan in November to attend an annual gathering of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka and for summit talks with Murayama in Tokyo.

Murayama said Japan, as host of this year's APEC talks, is determined to assume a responsible role in bringing the meeting to a successful conclusion.

Tokyo will come up with a set of specific measures to implement the action agenda to be adopted at the Osaka meeting, he said.

The action agenda will be aimed at attaining APEC's goal of free trade and investment in the region by the year 2020.

The 18-member consultative body founded in 1989 comprises Australia, Canada, Chile, China, Hong Kong, Japan, Mexico, Papua New Guinea, New Zealand, South Korea, Taiwan, the U.S., and six of the seven members of the Association of Southeast Asian Nations (ASEAN) — Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

Murayama singled out as a key task of his administration the revision of the 1951 law on religious organizations following a series of crimes believed perpetrated by the Aum Shinrikyo cult such as the sarin nerve gas attack on the Tokyo subway system in March.

While renewing his resolve to push for administrative and fiscal reforms, the prime minister also pointed to the need for progress in reform of the United Nations, which marks the 50th anniversary of its inception this year.

Table of Parliamentary Strength

OW2709125495 Tokyo KYODO in English 1227 GMT 27 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 27 KYODO — The following is a table of parliamentary strength in both houses of the Diet after the formation Wednesday [27 September] of a five-member intraparliamentary group in the House of Councillors.

Motoo Shiina, Hideo Den and three other upper house members formed the group called "Sangiin (House of Councillors) Forum." House of Representatives House of Councillors

Ruling Coalition	
LDP 209	LDP 111
SDP 64	SDP 39
New Party Sakigake 20	New Party Sakigake 3
Opposition	
Shinshinto 169	Heisei Kai 68
JCP 15	JCP 14
Minshu-no-kai 5	Shin Ryokufu-kai 5
New Democratic Club 3	Sangiin Forum 5
	Niin Club 4
Independent Club 3	Independents 3
Independents 10	
Vacancies 13	Vacancies 0
Total 511	252

Note: LDP is the Liberal Democratic Party, SDP is the Social Democratic Party and JCP is the Japanese Communist Party.

Article Previews Scenarios for Diet Dissolution

OW2909023295 Tokyo ASAHI SHIMBUN in Japanese 24 Sep 95 Morning Edition p 2

[FBIS Translated Text] When will Prime Minister Tomiichi Murayama — who has shown a desire to sustain his political regime until next spring — dissolve the Diet and plunge into a general election?

After the Social Democratic Party of Japan [SDPJ] ended its extraordinary party convention and the Liberal Democratic Party [LDP] elected its president, and as a new structure is evolving within the ruling parties, the focus of the political world is now on how long the Murayama administration will last and when the Diet will be dissolved and a general election held.

Let us look at each of the probable courses the political regime may take and the possible cases of political tension.

Continuing the Hedgehopping Into 1996

In a 21 September speech at the extraordinary SDPJ convention, Murayama indicated his "intention to take charge" until the FY96 budget is passed next spring.

At the height of his campaign, International Trade and Industry Minister Ryutaro Hashimoto, who has just been elected as the new LDP president, also indicated that "after the budget for the new fiscal year is passed and things begin to move smoothly in April, this will be a time to watch out" for the holding a general election.

A majority in the ruling parties think that the "hedgehopping" of the Murayama administration will continue, without any dramatic increase in its support rate, and end up in the dissolution of the Diet and a general election after the passage of the budget.

The prevailing view in the LDP's Obuchi faction and among other party members is that what will happen from now on is: The LDP will support the Murayama administration for the time being; the LDP will prepare for the forthcoming election while the SDPJ will also brace to form a new party; a "divorce by mutual consent" will take place with the SDPJ, and the two parties will campaign independently in the general election; and enough room will be left for negotiations to form a government with the SDPJ if the LDP is not able to win a majority of lower house seats in the election.

Within the New Frontier Party [NFP], it has also become a popular notion that "the Murayama administration will be passing another budget for the last time, and (the general election) will not come until March at the earliest." (according to Secretary General Ichiro Ozawa)

Bowing Out After APEC and Abdicating the Premiership

"If the SDPJ and Sakigake [Harbinger] cannot keep pace with the LDP's administrative and fiscal reforms and economic pump-priming measures, then we do not mind leaving the administration." This statement, blurted out by LDP presidential candidate Junichiro Koizumi during the campaign, actually reflects the true feeling the LDP has for the coalition government.

As long as the LDP is in a coalition with the SDPJ, it can never come up with policies which satisfactory to its supporters. If the Diet dissolution and general election comes at the initiative of Murayama, the election may again assume the mood of a "vote of confidence for the coalition government," as in the last upper house election, and this may mean another crushing defeat.

Nevertheless, the LDP does not really have a way to dissolve the Diet to its own liking. Thus, what LDP members whisper among themselves with a certain measure of expectation is the possibility of Murayama "bowing out after the APEC [Asia Pacific Economic Cooperation] forum" — that is, after the APEC Osaka conference in November, Murayama will abdicate his position to Hashimoto.

On the other hand, "criticism of the coalition government" in the recent upper house election was also a painful experience for the SDPJ. The idea that it will be easier for the SDPJ to propel the consolidation of the "third force" if it dissolves the coalition with the LDP before going into the next election is now gaining support in the party. Therefore, it is not totally unlikely that the SDPJ would agree with the LDP about "bowing out after APEC."

In such a case, the resulting Hashimoto administration would be a one-party minority rule, and it would be highly probable that for dissolution to come at the beginning of the regular Diet session in January 1996, after work on the draft FY96 budget is completed.

Furthermore, if the right time for Murayama to "bow out" is deemed to be at the end of 1995, after the formulation of the draft budget is finished, he can either order the dissolution of the Diet or simply abdicate his position to Hashimoto. Confrontation Over the Revision of the Religious Corporation Law [subhead]

The ruling and opposition parties are certain to clash over the revision of the Religious Corporation Law at the extraordinary Diet session that will convene on 29 September. Amendments to this law are expected to be submitted in mid-October, and it is highly probable that the confrontation between the ruling and opposition parties may become irreconcilable.

If the LDP escalates its criticism against Soka Gakkai, a major supporter group of the NFP, the NFP may pursue the issue of Justice Minister Tomoharu Tazawa's substantial borrowings from the Rissho Kosei Kai. Many in the LDP believe that "if the Diet is dissolved over the Religious Corporation Law, it will be advantageous [for the LDP]." If the Diet is thrown into confusion — for instance, if the NFP resorts to calling for a vote of no confidence against the cabinet — there may be an "accidental dissolution of the Diet" before the end of 1995.

Articles View Hashimoto-Led LDP Coalition

23 Sep Article

OW2809124995 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Sep 95 Morning Edition p 1

[Article by Editorial Board Member Toshihiro Ando: "The LDP-SDPJ Coalition Stands At Watershed:" first in a two-part series titled "Upheaval Triggered by Hashimoto-Led LDP"]

[FBIS Translated Text] The political world, which has remained calm under the Murayama coalition cabinet, will begin to make another major turnaround following the election of Ryutaro Hashimoto as president of the ruling Liberal Democratic Party [LDP]. The LDP, the largest among the ruling coalition parties that were driven into a corner in the July upper house election, drew the conclusion in the 22 presidential election that it will aim to take over the reins of government under the leadership of President Hashimoto and the ruling Social Democratic Party of Japan [SDPJ] decided in its 21 September party convention to aim to form a new party while keeping the Murayama government in place. Strategies of the two ruling parties lack key elements and their strategies are ambiguous and contradictory. It seems likely to take a little more time to set a timetable for ending the current coalition government, dissolving the House of Representatives and holding general elections.

Tug-of-War Over Dissolving the House of Representatives

Like Yohei Kono, Hashimoto, who assumed the post of LDP president, is not guaranteed the post of prime minister. People close to Prime Minister Tomiichi Murayama are already making moves to keep Hashimoto in check, saying: "The prime minister will hold firmly his right to dissolve the House of Representatives. He will not simply turn over the reins of government to Mr. Hashimoto." Meanwhile, other people close to Hashimoto are split in their opinions. Some of them take the view that Hashimoto should challenge Prime Minister Murayama to hand over the reins of government to him in late November when an extraordinary Diet session and forum of the Asia-Pacific Economic Cooperation forum also close while others argue that it is better for Hashimoto to steadily consolidate his foundation within the LDP while cooperating with the Murayama government. Thus, no consensus has been shaped among those people close to Hashimoto.

Hashimoto has very often been portrayed as a "hawkish politician." But he is a figure who almost shares the thinking of other LDP members. Yohei Kono is known as a dovish politician and the two sharply disagree on policies. There is a great possibility that the current policy gap between the LDP and the SDPJ will be further widened. A considerable disagreement is surfacing between the LDP and the SDPJ over handling the issue of amending the Religious Corporation Law that will be a focal point in an extraordinary Diet session to be called this autumn. The LDP is eager to keep the Sokagakkai [a pro-Komeito religious organization] in check while the SDPJ is worried that the LDP's attempt would become a cause for destabilizing the political situation. Many are concerned about whether or not the LDP and the SDPJ will find areas of agreement on handling the land tax system, the defense budget, and the guideline for defense buildup plans when the FY96 budget is compiled in closing days of this year.

With general elections likely to be held in the near future, the two ruling parties are not expected to easily reach a compromise on handing the land tax system and the defense budget. Prime Minister Murayama has pointedly stated, "I will take the responsibility to compile the FY96 budget and enact it." The SDPJ, however, is saying: "The LDP will make strong demands on the FY96 budget. If the SDPJ has to compromise with the LDP, it may be rather wise for the SDPJ not to commit itself to the next year's budget." There will be a crucial juncture in the political situation from the time of closing the APEC forum to the time of compiling the next year's budget. The notion is still being whispered that the "APEC forum will pave the way for Murayama to resign as prime minister."

Some LDP members assume that the "LDP will compile the FY96 budget in closing days of this year while maintain a minority and single-party government after Prime Minister Murayama resigns and then dissolve the House of Representatives next January." They are not sure of when Prime Minister Murayama will resign. In fact, they are irritated with the prospect of the "Murayama cabinet getting through this year, thereby tarnishing Hashimoto's popularity."

Signal of Urging Murayama To Make Decision

The SDPJ, that is led by Prime Minister Murayama, is now faced with the urgent issue of forming a new party following the 21 September party convention. Rightists within the SDPJ, sensing that, with Hashimoto taking the post of LDP president, the House of Representatives will be dissolved in the "near future," have abruptly moved to form a new party led by Takahiro Yokomichi. On the other hand, leftists within the SDPJ, who give priority to keeping the Murayama government in place and avoiding the dissolution of the House of Representatives, are desperately trying to block the rightists from forming the new party led by Yokomichi. If the SDPJ needs not to shore up the Murayama government, all members of the SDPJ will have no choice but to move toward forming the new party. SDPJ Secretary General Wataru Kubo, a proponent of the new party, has often mentioned, in his peculiarly roundabout tone, the issue of Murayama resigning as prime minister. His mention can be taken as his signal of urging Murayama to "make a decision" on his resignation.

In Jerusalem on 18 September, the prime minister definitely said: "I will not become chairman of the new party. It is not rational to separate prime minister from party chairman." In this way, he made a statement responding in a forward-looking manner to Kubo's signal. His Jerusalem statement has resulted in reinforcing the speculation that he would resign as prime minister earlier. In the 21 September party convention, however, he struggled to keep the SDPJ together and expressed enthusiasm for remaining in office until the FY96 budget is enacted next spring.

Idea of "Conservative-Conservative Coalition"

If the Murayama government continues to remain unchallenged, progress would hardly be made in the SDPJ's formation of the new party. If the Murayama government collapses, then the House of Representatives will be dissolved, leaving the new party unable to prepare for the general elections in a timely fashion. The SDPJ is now faced with this contradiction. In the 21 September party convention, Murayama exploited the contradiction to express his eagerness to remain in office. Perhaps this will further intensify his discord with the rightists within the SDPJ and the LDP. In the past, the main opposition New Frontier Party [NFP] has pushed for the idea of forging a "conservative-conservative coalition," but the idea is said to "have disappeared." The idea of forging the conservative-conservative coalition has begun making a visible comeback after Hashimoto was elected LDP president amid indications that the LDP and the SDPJ were not on good terms. Up to now, Hashimoto has adroitly skirted the NFP's criticism of him. During his campaign in the LDP presidential election, he brushed aside all draft notes prepared by his aides to attack the NFP. A group within the LDP is eager to hasten the formation of a Hashimoto government, and people close to Hashimoto are as aggressive as the group in forging the "conservative-conservative coalition." Other groups within the LDP are cautious about forming a Hashimoto government, contending that the LDP should not be overly hasty in forming a Hashimoto government. As a result, there are wide differences between the two groups within the LDP on the timing for the formation of a Hashimoto government. The possibility cannot be denied that Hashimoto, who is eying the post of prime minister, will use the idea of forging the "conservative-conservative coalition" as his major trump card.

24 Sep Article

OW2809132495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Sep 95 Morning Edition p 1

[Article by political reporter Akihiko Miyamoto: "Cool Reactions to Overwhelming Victory"; second in a two-part series titled "Upheaval Triggered by Hashimoto-Led LDP"]

[FBIS Translated Text] There was not much clapping heard in the Liberal Democratic Party [LDP] headquarters on 22 September, when Ryutaro Hashimoto was elected new LDP president by garnering an overwhelming 304 votes. Instead, there was a calm and collected atmosphere.

A campaign manager for Hashimoto grumbled: "There was a miscalculation, a big miscalculation. The decision by (President Yohei) Kono to give up a bid to seek reelection reduced party members' interest in the election," and "It was just like counting the age of a dead child."

Attention Focused on Appointments of New Leaders

Kono is the incumbent LDP president and one of key figures in the coalition government. If Hashimoto argued with Kono as a challenger in the presidential race, the idea of seeking an LDP-led government and LDP uniqueness might crop up among party members who entertain some apprehensions about the next general election. And if Hashimoto defeated Kono, things might have progressed as Hashimoto supporters planned. They could heighten "Hashimoto boom" before the April general election to be held after the Diet approves the budget for FY96. Things did not go as they planned. Instead of challenging Kono, Hashimoto faced a challenge of former Posts Minister Junichiro Koizumi.

Despite their indifference to the outcome of the election, LDP members have paid attention to the appointments of new leaders. After the 22 September election, members of the former Mitsuzuka faction gathered at a Tokyo restaurant to discuss the leadership reshuffle. Members of the former Watanabe faction also held a meeting at the faction office near the LDP headquarters for the same purpose. Despite their verbal opposition to the "resurgence of LDP rule by Keisei-kai (the former Obuchi faction)," some LDP Diet members even have made active contacts with senior officials of the former Obuchi faction in a bid to hunt for key party posts. Struggles to win leading party posts are also seen within the "group to make Ryutaro Hashimoto LDP president," which is composed of mid-career and junior LDP members and which was a major Hashimoto supporter in the presidential race, and in the "group to study the future course of Japan," which is comprised of senior LDP Diet members. Many of them have proudly said they were a major force behind the election of Hashimoto as LDP president. Some people see their struggles with a scornful smile, saying: "This reminds me of the situation two years ago, in which LDP leaders all claimed that it was me who established the alliance between the LDP and the Social Democratic Party of Japan [SDPJ]."

During the post-1955 political order era, factions within the LDP helped their members "win in elections, raise funds, and obtain posts." But these factions have virtually been dissolved and now function only as groups to receive party posts which are allocated in accordance with their "numerical strength." Meanwhile, party leaders hold great power because they run the whole thing in elections to be held under a single-seat electoral system. Thus, not only senior members but also mid-career and junior members all strongly hope to be part of the party leadership to maintain their status in the party.

Two Kinds of Phobia

During the campaigns, Koizumi asserted: "If elected president, I will not hesitate to have my party leave the ruling coalition if the LDP cannot agree on policy with the SDPJ," and "If an LDP-led minority government is established, I will dissolve the house at an early date to seek the mandate of the nation in a snap general election." "He can freely say such things because he is in easy circumstances as a challenger" was the opinion heard not only in the Hashimoto camp but also within groups supporting Koizumi. However, Koizumi's assertion represents a view of some LDP members.

Cold reactions to Koizumi's remarks prove the existence of a "phobia in the party about the LDP losing power" and a "phobia about the general elections." Although LDP members consider the inauguration of Hashimoto as party head a decisive factor for the party to win in the general election, they are hoping for the postponement of the elections in the back of their minds. Commenting on the debut of Hashimoto as LDP head, New Frontier Party [NFP] Secretary General Ichiro Ozawa said: "Nothing will change if the LDP continues to support the Murayama government under the Hashimoto leadership." Another NFP executive also said: "It is certain that Prime Minister Tomiichi Murayama will not resign before April of next year. By then, 'President

Hashimoto' will lose his appeal." The LDP cannot refute such critical opinions.

While the LDP is bound by the duty of supporting the Murayama administration, the number of those who take a "realistic stand" has increased in the NFP. Affected by the LDP presidential race, "idealists" in the NFP have called for the election of the party head by votes of all party members, including the rank and file, in order to appeal to the people that "the NFP is open." Meanwhile, those who take a "realistic stand" have claimed that the party should concentrate on preparations for the general election, rather than appeal to the public. They note that if the NFP needs someone to replace the incumbent head Toshiki Kaifu to win in the election, then it should hold an election for a new party head.

LDP's Organizing Power on the Decline

Of course, behind this realistic idea lie the NFP's victory in the House of Councillors election in July and the vote-collecting power of former Komeito groups in the NFP, which contributed to the party's victory in the upper house election. It is said that there are 1.5 million LDP rank-and-file members. Of them, only 810,000 voted in the presidential poll. There is a great discrepancy between the LDP and the NFP in its ability to collect block votes because the number of rank-and-file members of the former Komeito is said to be 6.5-7 million.

A senior LDP official said: "The NFP is at zero. But the LDP is below zero." What he meant was: "Although the NFP has called for 'reform,' their reform proposals lack substance. Despite this, the image of the LDP is worse than the NFP's because the party has failed to cast off its old skin. In other words, the people have a negative image on the LDP."

The people had slight expectations that the LDP presidential race might change the cloudy climate in the ruling coalition and the dull political situation. If the "Hashimoto-led LDP" is no different from the "Kono-led LDP," people will again be forced to vote in the next general election while being uncertain about who they should vote for.

Editorial Views Hashimoto-Led LDP

OW2809125695 Tokyo ASAHI SHIMBUN in Japanese 23 Sep 95 Morning Edition p 5

[Editorial: "Liberal Democrats Urged To Face Up to Contradictions of Government — Hashimoto-Led Liberal Democratic Party and Invisible Tripolar Forces"]

[FBIS Translated Text] To be sure, Ryutaro Hashimoto was strong. He was elected president of the ruling Liberal Democratic Party [LDP] after defeating his rival, Junichiro Koizumi, by a wide margin.

It was said at one point that Hashimoto would be elected LDP president without voting. With Koizumi announcing his candidacy in the election, however, the LDP presidential race became a joyous political show. Koizumi, who advocated the "privatization of three postal services," pointed to the LDP's inability to overhaul Japan's economic structure, but was on the defensive in heated debates with Hashimoto. As a result, he was unable to garner enough votes in the election to become LDP president.

The LDP Reveals Its Inherent Nature

It goes without saying that the deep-rooted "Hashimoto popularity" dominated the election and a wide gap existed between Hashimoto and Koizumi in their political careers. Hashimoto succeeded in winning the backing of the "zokugiin" [a group of legislators who champion special interests], who maintain collusive ties with the business community and the bureaucracy. He was backed by the old Obuchi faction within the LDP, which maneuvered behind- the-scenes for Hashimoto's landslide victory in the presidential election. He was also backed by the Japan Bereaved Families Association and a large number of LDP rank-and-file members. It can be said that his landslide victory was a result of their backing. In other words, his landslide victory was a result of the LDP's inherent nature.

Compared with Yohei Kono, Hashimoto conspicuously stood out. The replacement of the LDP president means that with the general elections likely to be held in the near future, the LDP is revealing its inherent nature.

The question is the future of the Murayama government, which is shored up by the LDP.

Many people were puzzled when the LDP and the ruling Social Democratic Party of Japan [SDPJ] jointly formed the Murayama government overcoming their long-standing confrontation. At the time, they criticized the two parties for forming the Murayama government "without any principles." Some even took the view that their unprincipled coalition has accelerated the "estrangement of voters from politics."

Rallying political forces capable of countering Ichiro Ozawa was considered the just cause of forming the Murayama government, which was characterized as "dovish." The SDPJ and the ruling New Party Sakigake [the Harbinger Party], led by Masayoshi Takemura, said, "We are willing to form a coalition government if the LDP, led by Yohei Kono, is our coalition partner." At the time, we expected that the established political parties would be realigned into two parties led by both dovish and hawkish politicians.

Nonetheless, reality did not fulfill our expectations. In the LDP's new manifestation, Yohei Kono stressed the need to "defend the Constitution," but he failed to put the LDP under his thumb and only succeeded in preventing a split of the LDP. The LDP "abandoned Yohei Kono after using him." Next, the LDP will struggle to come up with the timing for abandoning Murayama.

In retrospect, it was Toshiki Kaifu, president of the main opposition New Frontier Party [NFP], who ran in the prime ministerial election in the Diet as a non-LDP candidate after bolting from the LDP when the Murayama government was inaugurated after Yohei Kono decided to give the SDPJ the post of prime minister.

At the time, Yasuhiro Nakasone and Michio Watanabe, who recently died, voted for Kaifu against a coalition forged by the LDP, the SDPJ, and the New Party Sakigake. However, this time the two were among the first to declare their backing of Hashimoto as the next LDP president. Hashimoto will assume a role of strengthening the LDP with their support.

The inauguration of Hashimoto as LDP president may have opened the possibility of the LDP forging a coalition with the NFP. Hashimoto and Ozawa were colleagues in the Takeshita faction. The two appear to have mixed feelings of backlash and sympathy. In the Kaifu government during the LDP era, Hashimoto served as finance minister while Ozawa served as LDP secretary general.

Where Will the SDPJ's "New Party" Head?

Under this situation, the SDPJ, which aims to rally the tripolar forces, has decided on a plan to "form a new party" in late October. With the general elections expected to be held under the new single- seat constituency system, the SDPJ, which is mired in a life or death crisis and is sandwiched between the LDP and the NFP, two major parties, has at last reached the point where it can no longer step back.

Compared to the LDP, whose face has appeared, the face of "the new party" is not seen at all.

The SDPJ is unable to induce the New Party Sakigake to join it in forming the new party by claiming it will rally democratic and liberal forces. Former Hokkaido Governor Takahiro Yokomichi has yet to decide on his participation in the new party. If this situation is left alone, forming the new party is likely to be delayed and it is increasingly observed that forming the new party would only result in changing the SDPJ's name.

The SDPJ held its party convention on 21 September. While some rated debates held in the party convention as "hasty," others rated them "opportune." In this way, the debates only split people in their opinions. No heated convention debates were held on what sort of vision the SDPJ should shape for the new party. At a time when a fire is about to burn the castle, the SDPJ remains complacent without showing a willingness to scramble to put out the fire. In this way, the SDPJ remains unchanged. The SDPJ is trying to form a new party to counter the LDP while seeking the LDP's support for the government led by its chairman. This is a contradiction facing the SDPJ.

Some SDPJ members have made moves to form a new party since late last year, saying, "We will not even hesitate to bolt from the SDPJ to form a new party." They have made the moves because of that contradiction. At the time, we argued that "the SDPJ should first work to have the government embrace its policies." We made the argument because of our conviction that the new party will be unable to equip itself with its own policies unless the SDPJ makes clear its policy differences with the LDP.

The SDPJ Should Not Indulge in a Taste of Power

Addressing the recent party convention, Prime Minister Murayama used the same argument. He suressed the need for the SDPJ to put forth its own policies to be adopted by the government and urged the SDPJ to work to keep itself together. He also showed his enthusiasm to remain in office until the next year's budget is enacted.

Can we expect the SDPJ to display its wisdom and strength to put forth "its own policies" in the future? To cite an example, the SDPJ has yet to work out a program for full-fledged disarmament more than one year after it altered its long-standing interpretation of the Constitution to acknowledge the Self-Defense Forces as constitutional. In discussions on amending the Japan-U.S. Status of Forces Agreement [(SOFA], which were held following the alleged rape of an Okinawan girl by American servicemen, cabinet members from the SDPJ kept silent without voicing the need to revise the SOFA.

Until now, the SDPJ has insisted on resolving various "post-war settlement" issues, but resolving them is now beyond the SDPJ's ability. Kozo Igarashi, who had worked hard to resolve the issues, resigned as chief cabinet secretary.

Koken Nosaka replaced Igarashi as chief cabinet secretary. Nosaka, who approved of starting the operations of the Nagara River Estuary Floodgate while serving as construction minister, played the role of maintaining collusive ties with the LDP.

The SDPJ seems willing to take a posture of savoring the taste of power for a little longer while staying in the government as one of the coalition partners rather than put forth its own policies for the government. This comment can in no way be taken as malicious.

The government, which has compiled a large-scale supplementary budget, will have to tackle the issue of rescuing financial institutions laden with bad loans. The government also will have to make preparations for a summit of the Asia-Pacific Economic Cooperation (APEC) forum scheduled to be held in Osaka and to compile next year's budget. From now on, the government will have to grapple with a host of economic issues.

The LDP will aggressively push its demands for easing the land tax system in a bid to stimulate the sagging economy and for handling the defense budget when next year's budget is compiled. If the SDPJ really wants the government to adopt its policies, it should carry through fresh assertions while keeping a dialogue with the New Party Sakigake without fearing a break with the LDP. With regard to the new party, prospects and enthusiasm for forming it are supposed to come only when the SDPJ takes this attitude.

If Prime Minister Murayama intends to place priority on "enacting next year's budget," he should first seek cooperation from the LDP. It is feared that the SDPJ would shelve the plan to form the new party in the course of compromising with the LDP.

On 2 November, the SDPJ will mark the 50th anniversary of its founding. Prime Minister Murayama is under pressure to make major decisions as the "last chairman of the SDPJ."

Toyota-Affiliate To Supply Auto Parts to Nissan

OW2809060795 Tokyo ASAHI SHIMBUN in Japanese 23 Sep 95 Morning Edition p 13

[FBIS Translated Text] Nippon Denso Company, a company affiliated with Toyota Motor Corporation (head office in Kariya, Aichi Prefecture), disclosed through a Nissan-affiliated parts company on 22 September that it will supply parts to Nissan Motor Company for new cars to be sold next year. Nippon Denso will be supplying parts for Nissan-produced cars in Japan for the first time.

Some automakers feel it will be difficult to increase vehicle production in Japan, so they are promoting auto parts deals with nonaffiliated companies to reduce costs. Serious obstacles to transactions have existed between Toyota- and Nissan-affiliated companies. However, now that Nippon Denso, the largest Toyota-affiliated company, has started transactions with a Nissan-affiliated company, access to business from both companies will probably result.

At present, Nippon Denso is the only domestic company producing sensors to control automatic doors; it will supply several thousand units per month to Kansei Corporation, a Nissan-affiliated electronic parts company (head office in Omiya, Saitama Prefecture), and the parts will be installed in Nissan-produced cars to go on sale in 1996.

Nippon Denso now engages in direct transactions with all automakers in Japan except for Nissan. However, in the United States, a joint company set up by Nippon Denso and Robert Bosch [as transliterated] supplies fuel pumps to the U.S. Nissan Motor Company under the Bosch brand name.

Nissan To Purchase GM Batteries From Delphi

OW2709081995 Tokyo KYODO in English 0756 GMT 27 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 27 KYODO — Major Japanese automaker Nissan Motor Co. said Wednesday [27 September] it will import auto batteries from Delphi Automotive Systems of the United States for sale in Japan under the Nissan brand.

Delphi is a parts division of the world's leading automaker, General Motors Corp.

The Tokyo-based automaker said five varieties of batteries for replacement use will be imported by its trading arm, Nissan Trading Co., and sold by its dealers through supply arrangements with Nissan parts sales companies.

The deal is in line with the company's global restructuring policy unveiled in June this year in the closing stage of Japan-U.S. automotive trade negotiations, the company said.

Nissan officials said annual imports from Delphi are estimated to exceed 3 billion yen.

Leading Toyota Dealership To Boost Ford Sales

OW2809045495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 26 Sep 95 Morning Edition p1

[FBIS Translated Text] Chiba Toyopet (headquartered in Chiba City with Motoo Katsumata as its president), a leading independent car dealership, has decided to start selling passenger cars made by Toyota Motor Corporation and cars made by Ford Motor Co. of the United States in the same shop. The plan will be applied to all of its 50 sales outlets. The company intends to improve the Ford sales system by remodeling its current outlets into "multistory shops" which sell Toyota cars on the first floor and Ford cars on the second. As an initial step, it will remodel an outlet it is planning to open in Narashino City in the fall of 1996. Although Ford cars have continued to enjoy popularity in Japan, setting up outlets for just Ford cars in the metropolitan area is unprofitable. For this reason, the company intends to remodel its existing outlets into multi-story shops, which means lower land costs. Amid a slump in Toyota sales, independent dealers will likely make full-fledged moves to deal in both Toyota and Ford cars in the same shops.

Chiba Toyopet plans to remodel its large outlet in Narashino, which deals with Toyota's popular "Mark II" and other cars, into a multistory shop. Construction will start in October with 600 million yen to be invested. A two-story showroom will be built on a site of approximately 3,600 square meters. The shop is to be equipped with escalators to link the first and second floors; and five Ford cars, including the "Mustang" and "Taurus," will be exhibited on the second floor. Toyota and Ford cars will share the same garage.

The company started selling Ford cars in 1994, becoming the first Toyota-affiliated dealer to handle Ford cars in Japan. It has so far exhibited Ford cars in a corner of five sales outlets, and it sold a total of over 210 Ford cars in the first eight months of 1995. Taking advantage of selling Toyota and Ford cars together at the Narashino shop, the company intends to remodel the rest of its 50 outlets in Chiba Prefecture into Toyota-Ford shops.

Given the situation, consumers will be able to look at both Toyota and Ford cars in the same shop and make a choice. As another merit, owners can send their cars to a large number of Toyota-affiliated garages for maintenance and repair — repair and maintenance is considered a weak point for consumers who want to buy imported cars.

Toyota's car share dropped to 36.5 percent in August. In particular, Toyopet dealers are having a tough time selling their mass sales sedans, because new models of those cars will be soon released. Chiba Toyopet expects sales in 1995 to be 22,000 units, the same as the previous year.

Meanwhile, Ford has increased sales in Japan. However, since opening a new sales outlet in the metropolitan area — where a big demand is expected — costs more than 1 billion yen, including land cost, Ford is facing difficulties in opening up new dealerships.

Hughes in Venture To Study Digital Broadcasting

OW2809065995 Tokyo KYODO in English
0605 GMT 28 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 28 KYODO — Three Japanese companies and Hughes Communications of the United States said Thursday [28 September] they have agreed to set up a company to study the feasibility of embarking on a digital satellite broadcasting business in Japan.

Among the Japanese participants are Space Communications Corp., a satellite broadcasting arm of the Mitsubishi business group, and Dai Nippon Printing Co. The third firm is Culture Convenience Club Co., a videocassette rental concern.

The new company will be based in Tokyo and capitalized at 200 million yen, of which 42.5 percent will be put up by Hughes Communications, 10 percent by Space Communications and 5 percent by Dai Nippon printing.

The companies plan to begin 100-channel digital broadcasting in two years.

Machinery Makers Form Joint Ventures in SRV

OW2909081195 Tokyo KYODO in English
0746 GMT 29 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — Two large Japanese machinery makers said Friday [29 September] they have struck agreements to form joint ventures in Vietnam to manufacture such industrial goods as bridge frames and pumps.

Mitsui Engineering and Shipbuilding Co. and Ebara Corp. said they hope to cash in on low personnel costs and growing infrastructural development in the country.

Mitsui has agreed with the Vietnamese Government-affiliated bridge builder, Thang Long Bridge Construction Corp., to set up the joint venture in December in the outskirts of Hanoi, a Mitsui spokesman said.

The new company, Mitsui Thang Long Steel Construction Co., to be capitalized at $6.48 million, will be owned 36.3 percent by Mitsui Engineering, 33.3 percent by Mitsui and Co. and 30.4 percent by the Vietnamese firm, he said.

A new plant will build steel frames for use in building construction, and water gates, in addition to bridge frames, he said. Capital outlays will total some 700 million yen.

Meanwhile, Ebara has inked an agreement with Vietnamese pump maker Hai Duong Pump Manufacturing Plant, affiliated with the Heavy Industry Ministry, to set up Ebara Hai Duong Co. to produce industrial pumps for irrigation and other agricultural uses, an Ebara spokesman said.

The new venture will be capitalized at $6 million. Ebara will put up 70 percent of the capital and the Vietnamese company will shoulder the remainder, he said.

"We want to profit from demand for pumps for use in waterworks for tap water and in sewage systems, as demand for such items tends to skyrocket whenever a country tries to build up its infrastructure," he said.

The two companies also hope to rake in profits from future exports to East Asian countries in the expectation that Hanoi will expedite exports to raise foreign exchange, the spokesmen added.

North Korea

Daily Views Clause on U.S. 'Intervention'

SK2909111195 Pyongyang KCNA in English 1048 GMT 29 Sep 95

["Undisguised Scheme To Invade the North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The South Korean puppets are scheming to enter the phrase "the U.S. mandatory intervention in case of 'emergency' on the Korean Peninsula" in a "statement", which will be announced at the end of "27th annual security consultative meeting" to be held one month later.

Commenting on it, MINJU CHOSON today says that this is an intensive manifestation of their undisguised scheme to invade the North and it reveals their intention to gratify the wild design of "unification of systems" by Armed Forces with the help of outside forces.

The commentator goes on:

The Kim Yong-sam group have so far talked about "improvement of South-North relations" and "dialogue between the South and the North". But it has been a hypocritical trickery to cover up their belligerent nature.

With the "annual security consultative meeting" as an occasion, they are seeking a dishonest, wicked scheme to lay an obstacle in the way of the improvement of DPRK-U.S. relations and keep the U.S. troops in South Korea.

The improvement of DPRK-U.S. relations and the withdrawal of the U.S. troops from South Korea have been an irresistible trend of the times. However, the puppets are raising the issue of the U.S. mandatory interference in case of "emergency" on the Korean Peninsula, in an attempt to reverse that trend of the times. It is nothing but an expression of the serious crisis of the traitors who are prolonging their life under the protection of outside forces.

The nation cannot avoid a disaster with the Kim Yong-sam group, who are opposing the peaceful reunification of the country, worsening the North-South relations and obstructing the improvement of DPRK-U.S. relations, left alone.

The puppets must discard their foolish dream to gratify the wild design of "unification of systems" by Armed Forces with the help of outside forces.

U.S. Troops Accused of Human Rights Violations

SK2909050095 Pyongyang KCNA in English 0449 GMT 29 Sep 95

["The U.S. Has No Reason To Stay in S. Korea, Japan" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The U.S. troops in South Korea and Japan are the very one that violates human rights and renders the situation strained and fosters confrontation in this region, says NODONG SINMUN in a commentary today.

One of the reasons why the South Korean and Japanese peoples have a deep-rooted resentment at the U.S. imperialist occupation troops is that their crimes have escalated with each passing day, the paper says, and continues:

Early in September, three U.S. soldiers stationed in Okinawa, Japan, abducted and sexually abused a 12-year-old local schoolgirl, while a U.S. soldier in South Korea recently assaulted a bus driver to leave him injured.

Such cases fully revealed the criminal color of the U.S. troops, who are present in South Korea and Japan allegedly to "prevent disputes and ensure security," styling themselves as "protector." They also indicated that they are violators of human rights.

The crimes committed by GIs in Japan over the past ten years number 1,264 and human rights abuses they perpetrated in South Korea since they occupied South Korea total more than 100,000.

The U.S. troops in South Korea and Japan serve as a shock brigade for the U.S. aggressive Asian strategy. The United States has kept tens of thousands of its troops in South Korea in a bid to invade the Democratic People's Republic of Korea and staged military manoeuvres against the DPRK almost every day.

The facts show that as long as the U.S. troops are left in South Korea and Japan, the human rights of the peoples in this region are ruthlessly trampled down and the atmosphere of confrontation and war persists in the region.

With the termination of the Cold War and the collapse of the Soviet Union, the U.S. is left with no reason and pretext to stay in this region.

The U.S. troops ought to quit this region.

U.S. Urged To Establish Peace Mechanism

SK2909102995 Pyongyang Korean Central Broadcasting Network in Korean 0751 GMT 28 Sep 95

[Dialogue between station reporters Chong Song-kwang and Yi In-chun: "The United States Must Make a Decision on Establishing a New Peace Guarantee System at the Earliest Possible Date"]

[FBIS Translated Text] [Chong Song-kwang] How are you? Establishing a new peace guarantee system between the DPRK and the United States has become an important issue in removing military confrontation and tensions and guaranteeing peace on the Korean peninsula. Therefore, let us discuss this subject this hour.

[Yi In-chun] Let us do so. The Cold War era has ended and the era of peace has come internationally. However, the Cold War continues on the Korean Peninsula.

According to the various principles for solving the Korean issue discussed during World War II and the resolution adopted in November 1975 at the 30th UN General Assembly, the United States was supposed to withdraw its troops from South Korea. However, disregarding its responsibility, the United States has reinforced on a large scale its modern military arms, including nuclear weapons and modern operational equipment, and has strengthened war exercises for northward invasion of South Korea under such fabulous excuses as a guarantee for a military balance of power, checking someone's threat of a southward invasion, and the like.

As we know, even today when the DPRK-U.S. framework agreement is being implemented after it was adopted, the United States is still fanning the winds of Cold War in a bid to aggravate the situation on the Korean peninsula.

[Chong] That's right. In order to alleviate the military confrontation between the DPRK and the United States and to guarantee peace and stability on the Korean peninsula, it is necessary to establish the new peace guarantee system that we have proposed. In other words, by turning the present armistice system into a peace guarantee system, the relations of hostility between us and the United States should be removed, and a legal and institutional mechanism to guarantee peace and stability on the Korean peninsula should be provided. However, a peace guarantee system has not been established as yet between the DPRK and the United States. The party which assumes the main responsibility in guaranteeing peace and stability on the Korean peninsula is precisely the United States, which has deployed a huge number of U.S. armed forces in forward areas in South Korea and which has held the prerogative of supreme military command in South Korea.

Without establishing a new peace guarantee system between the DPRK and the United States, peace and stability on the Korean peninsula can be neither expected nor guaranteed.

[Yi] I agree with you. Establishing between the DPRK and the United States a peace guarantee system which substitutes for the old peace system is a basic way of alleviating tensions on the Korean peninsula and guaranteeing peace there. This not withstanding the United States has been interested only in maintaining the old armistice system. This is because the United States is attempting to achieve its insidious aim through the old armistice system. In fact, the old armistice system has lost its existence and role because of the U.S. deliberate and irresponsible acts of destruction. So, we can say that the old armistice system is today in a state in which it cannot be revived or restored by any prescription.

It is self-evident that on the Korean peninsula, where enormous armed forces have been deployed on either side of the Military Demarcation Line and the danger of war is hanging over us ceaselessly, accidents cannot be prevented nor can the present armistice status, let alone peace, be maintained with the present nominal armistice mechanism. Therefore, in order to prevent a war and guarantee peace on the Korean peninsula, the issue of turning the present armistice system into a peace guarantee system should be solved without delay.

[Chong] That's right. Even the U.S. side's resolution adopted at the 30th UN General Assembly clearly specifies the issues on carrying out negotiations to take new measures for substituting for the Armistice Agreement and on dismantling the UN Command in case an alternative idea is provided, isn't it?

[Yi] That's right.

[Chong] As we see, establishing such a new peace guarantee system to liquidate legacies of the Cold War on the Korean Peninsula totally accords even with the spirit of the commitment that the United States made before UN member states.

[Yi] In view of the present situation, there is no reason or justification whatsoever for the United States to disregard or oppose the issue of establishing a legal and institutional mechanism to guarantee peace on the Korean peninsula. Whether or not the United States responds to our new peace proposal will become a barometer showing us which road between peace and war the United States is choosing.

Thus far, the United States has been insincere regarding the issue of establishing a new peace guarantee system on the Korean peninsula. It has been more than one year since we advanced the proposal for establishing a new peace guarantee system in April 1994. However, the United States has not shown any positive reaction to it. This vividly shows that the Unites States is not interested in this proposal.

[Chong] That's right. What we cannot overlook is the fact that the United States is trying to shift its responsibility as the actual party concerned in this issue onto the South Korean puppets, and thus take itself out of this issue. Such an attitude will create only complications in solving problems and will result only in making it difficult to establish a new peace guarantee system.

[Yi] That's right. If the United States is really interested in guaranteeing peace on the Korean peninsula, it should not avoid its responsibility, but should accept our proposal. The United States must make a decision to establish a peace guarantee system to liquidate legacies of the Cold War on the Korean peninsula at the earliest possible date. If the United States does not respond to our proposal to establish a new peace guarantee system, it will receive greater condemnation and rejection from the people of the world as the enemy of peace and as the ringleader aggravating tension on the Korean peninsula.

[Chong] We will end here today. Thank you.

Spokesman Views Prospects of KEDO Talks

SK2809112495 Pyongyang KCNA in English
1059 GMT 28 Sep 95

["Foreign Ministry Spokesman on Prospects of Negotiations Between DPRK and KEDO" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea (DPRK) in an interview with KCNA today elaborated on the prospects of the negotiations between the DPRK and the U.S.-led Korean Peninsula Energy Development Organisation (KEDO) on concluding a light-water reactor (LWR) supply agreement.

He told KCNA:

As was reported, the first working negotiations between the DPRK and the KEDO on the conclusion of an LWR supply agreement took place in Kuala Lumpur in mid-September.

Under the agreement reached at the negotiations, the second negotiations between the DPRK and the U.S.-led KEDO will be opened in New York in mid-October, and expert-level talks between the two sides will be resumed in New York within the framework of working negotiations on September 30.

This is a result of our sincere effort to honestly implement the DPRK-U.S. agreed framework of October 21, 1994 and the DPRK-U.S. joint press statement of June 13, 1995.

Now that the DPRK and the United States have reached agreement on all fundamental principles and ways of settling the nuclear issue, there is no obstacle to the conclusion of an LWR supply agreement, as a matter of fact.

The provision of light-water reactors is part of the political process for the settlement of the nuclear issue between the DPRK and the U.S., as was reaffirmed at the first working negotiations between the DPRK and the KEDO. Accordingly, the problem will be solved in a moment if the dialog partners are politically prepared.

As far as our position is concerned, we have sincerely fulfilled our obligation to freeze our nuclear facilities ever since the DPRK- U.S. framework agreement was published. And that, we have done far more than we are obliged to under the safeguards accord.

The U.S. side recognises this fact.

The point at issue is that balance has not been kept in view of the principle of simultaneous action, which is the key to the implementation of the DPRK-U.S. framework agreement and that this imbalance has come near the danger line so that it may complicate the implementation of the framework agreement as a whole.

This situation is attributable mainly to the U.S. political position.

This month alone, the U.S. House of Representatives adopted a "resolution" that urges the U.S. Administration not to upgrade DPRK- U.S. diplomatic relations or relax trade barriers until the DPRK resumes dialog with South Korea and it refrains from "missile export," which is a fiction. In the debate on financial assistance of the

U.S. Administration to the KEDO, the U.S. Senate Appropriations Committee attempted to put a spoke in the wheel of the provision of light-water reactors under the pretext of improvement of inter-Korean relations.

The U.S. partner of the DPRK-U.S. talks overtly defended this position of the U.S. Congress, saying that "nuclear freeze of North Korea does not mean repeal or cancellation of its nuclear program. The point is how long the freeze will last." He tried to distort the fact, talking as if the nuclear freeze of the DPRK were a precondition for the U.S. obligation under the DPRK-U.S. agreement.

We cannot but think why some U.S. quarters try to take issue with the DPRK at this moment when the LWR project has reached the stage of concluding an agreement, pulling through difficulties.

The U.S. side knows better than the DPRK side that the framework agreement is in essence on the freeze of graphite-moderated reactors of the DPRK in return for light-water reactors provided by the U.S. and that the principle of simultaneous action is the lifeline of the implementation of the agreement.

The United States has been much interested and active in the DPRK's nuclear freeze such as safe storage of spent fuel, but has not been zealous in promoting the conclusion of an LWR supply agreement as expected.

As a result, there is no clear prospect for the conclusion of this agreement, though it is five months after the set time.

We cannot but conclude that the recent move of some U.S. political forces was motivated by a sinister intention to take the first move to cope with a possible outbreak of complex problems following the imbalance in the implementation of the framework agreement.

Frankly speaking, it is self-evident that we cannot continue to unilaterally fulfil our obligation — nuclear freeze — if the U.S. side does not fulfil its obligation concerning the provision of light-water reactors.

From the outset, we were not certain if the United States would simultaneously answer our good faith with the same good faith, because the framework agreement recognises distrust between the DPRK and the U.S. and its implementation is based on verification.

Our doubt has grown recently.

The prospects for the conclusion of an LWR supply agreement largely depend on what attitude and position the U.S.-led KEDO has in approaching the negotiations at this juncture.

We have already made clear that we will invest not a penny because we are not certain whether the light-water reactors will be built so well that they can be operated for commercial purposes.

This position of ours remains unchanged.

The U.S.-led KEDO must bear all the money needed not only for the infrastructure construction for LWRs but for the whole of the project and compensate for what we invested for the establishment of an independent nuclear power industry for scores of years.

If the U.S. and KEDO hope for any compromise and discount, we will have nothing to expect from the negotiations with KEDO and feel it unnecessary to spend time for the negotiations.

What is another important matter in the conclusion of a LWR-supply agreement is that the rights of the DPRK, which will be the owner of the reactors, should be respected.

We attach importance to the type of LWRs to be used by us.

Because LWRs will be constructed on our land and they will be operated by us, the examination of their safety is a pressing matter.

So, it pertains to our rights that we, the owner of LWRs, confirm whether they are fairly good or not. Nobody can regard it questionable.

We pay deep attention to the results of the working-level negotiations scheduled in New York.

We will come to a decision after taking a close examination of whether or not KEDO can make a substantial contribution to a solution to the LWR issue as a dialogue partner with good faith.

If the U.S. try to refer what it should do to KEDO and ignores the conclusion of the LWR-supply agreement as it does now, we will be left no other choice but to sit face to face with the U.S., a signatory to the DPRK-U.S. framework agreement, and discuss the issue politically.

It is true that the implementation of the DPRK-U.S. framework agreement is one of good ways for a solution to the nuclear issue in the Korean Peninsula.

With no progress made in the LWR supply though a year has passed since the signing of the framework agreement, however, we cannot be tied down to the blank sheet of paper with stress put on its significance.

For the solution, we can take another choice which the dialogue parter is well aware of.

KCNA on Prospects for LWR Talks

SK2809114795 Pyongyang KCNA in English
1106 GMT 28 Sep 95

["Foreign Ministry Spokesman on Prospects of Negotiations Between DPRK and KEDO" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — A spokesman of the Foreign Ministry of the Democratic People's Republic of Korea (DPRK) in an interview with KCNA today elaborated on the prospects of the negotiations between the DPRK and the U.S.-led Korean Peninsula Energy Development Organisation (KEDO) on concluding a light-water reactor (LWR) supply agreement.

He told KCNA:

It is self-evident that we cannot continue to unilaterally fulfill our obligation — nuclear freeze — if the U.S. side does not fulfill its obligation concerning the provision of light-water reactors.

The prospects for the conclusion of an LWR supply agreement largely depend on what attitude and position the U.S.-led KEDO has in approaching the negotiations at this juncture.

The U.S.-led KEDO must bear all the money needed not only for the infrastructure construction for LWRs but for the whole of the project and compensate for what we invested for the establishment of an independent nuclear power industry for scores of years.

If the U.S. and KEDO hope for any compromise and discount, we will have nothing to expect from the negotiations with KEDO and feel it unnecessary to spend time for the negotiations.

What is another important matter in the conclusion of an LWR-supply agreement is that the rights of the DPRK, which will be the owner of the reactors, should be respected.

We attach importance to the type of LWRs to be used by us.

It pertains to our rights that we confirm whether they are fairly good or not. Nobody can regard it questionable.

We pay deep attention to the results of the working-level negotiations scheduled in New York.

We will come to a decision after taking a close examination of whether or not KEDO can make a substantial contribution to a solution to the LWR issue as a dialogue partner with good faith.

If the U.S. tries to refer what it should do to KEDO and ignores the conclusion of the LWR-supply agreement as it does now, we will be left no other choice but to sit face to face with the U.S., a signatory t
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Ministry Spokesman on Prospects of

SK2909130495 Pyongyang Korean C
Broadcasting Network in Korean
2110 GMT 28 Sep 95

[Report on interview with an unidenti
eign Ministry spokesman by KCNA o
place not given]

[FBIS Translated Text] A spokesman o
eign Ministry answered questions pose
porter on 28 September on the prospec
between the DPRK and the U.S.-led
Energy Development Organization [KE
ing a light-water reactor [LWR] suppl

He stated as follows:

As reported, the first round of wor
between the DPRK and the KEDO on
an LWR supply agreement took place i
the capital of Malaysia, in mid-Septem

Under the agreement reached at the
second round of negotiations betwee
the U.S.-led KEDO will open in Ne
October, and expert-level talks betwe
will resume in New York within th
working negotiations on 30 Septembe

This is the result of our sincere e
implement the DPRK-U.S. agreed f
October, 1994 and the DPRK-U.S. joi
of 13 June, 1995.

Now that the DPRK and the United S
an agreement on all fundamental pri
of settling the nuclear issue, there is
conclusion of an LWR supply agreem
fact.

The project for the provision of light-
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the problem will be solved in a mome
partners are politically prepared.

As far as our position is concerned, we have sincerely fulfilled our obligation to freeze our nuclear facilities ever since the DPRK-U.S. framework agreement was published. And that, we have done far more than we are obliged to under the safeguards accord.

The U.S. side recognizes this fact.

The point at issue is that balance has not been kept in view of the principle of simultaneous action, which is the key to the implementation of the DPRK-U.S. framework agreement, and that this imbalance has come near the danger line so that it could complicate the overall implementation of the framework agreement as a whole.

This situation is attributable mainly to the political position of the United States.

This month alone, the U.S. House of Representatives adopted a resolution that urges the U.S. Administration not to upgrade DPRK- U.S. diplomatic relations or relax trade barriers unless progress is made in the resumption of North-South dialogue and in the DPRK's refraining from missile export, which is a fiction. In the debate on financial assistance of the U.S. Administration to the KEDO, the U.S. Senate Appropriations Committee attempted to put a spoke in the wheel of the provision of light-water reactors under the pretext of the improvement of North-South relations.

Furthermore, even the dialogue partner, who sat with us at the same table in the DPRK-U.S. talks, overtly defended this U.S. Congress position, saying that North Korea's nuclear freeze does not mean the repeal or cancellation of its nuclear program and that the point is how long the freeze will last. Thus, he tried to distort the fact, talking as if our nuclear freeze were a precondition for the U.S. obligation under the DPRK-U.S. agreement.

We cannot but think why some U.S. quarters try to take issue with us at this moment when the LWR project has reached the stage of concluding an agreement, pulling through difficulties.

The U.S. side knows better that the framework agreement is, in essence, about the freeze of our graphite-moderated reactors in return for light-water reactors provided by the United States and that the principle of simultaneous action is the lifeline of the implementation of the agreement.

Nevertheless, the United States has been very interested and active in our nuclear freeze, such as the safe storage of spent fuel, but has not shown due zeal in promoting the conclusion of an LWR supply agreement. As a result, there is no clear prospect for the conclusion of this agreement, though it is five months overdue.

Such being the situation, we cannot but conclude that the recent move of some U.S. political forces was motivated by a very unreasonable intention to take the first move to cope with a possible outbreak of complicated problems following the imbalance in the implementation of the DPRK-U.S. framework agreement.

Frankly speaking, it is only too clear that we cannot continue to unilaterally fulfill our obligation — nuclear freeze — if the U.S. side does not fulfill its obligation concerning the provision of light-water reactors.

From the outset, we were not certain if the United States would simultaneously answer our good faith with the same good faith, because the DPRK-U.S. framework agreement recognizes distrust between us and the United States and its implementation is based on verification. Our doubt has further grown recently.

The prospects for the conclusion of an LWR supply agreement depend largely on what attitude and position the KEDO, led by the United States, takes in approaching the negotiations at this juncture.

We have already made clear that we will not pay a penny in advance under the circumstances that we cannot tell whether the construction of LWRs will be properly completed in the way a commercial operation can be carried out. There is no change in our stance and there can be no change.

The U.S.-led KEDO must bear all the necessary expenses not only for the construction of the infrastructure for LWRs but also for the entire construction project, and compensate for what we have invested for scores of years for the establishment of an independent nuclear power industry.

If the United States and KEDO hope for our side's concessions or attempt to ask a discount on this course, we will have nothing to expect from the negotiations with KEDO and feel it unnecessary to spend more time in negotiations.

Another important matter arising in concluding the agreement for the supply of LWRs is that the rights of our side, which will be the owner of the reactors, must be respected.

We cannot but necessarily pay attention to what type of LWRs, which will be used by us, will be brought in.

Under the condition that LWRs will be built in our country and will be operated by us, the issue of examining their safety is an urgent question. Accordingly, it pertains to our rights that we, the owners of LWRs, examine and confirm whether the LWRs are fairly good or not, and no one should question this.

We pay great attention to the results of the working-level negotiations slated to be held in New York.

We will once again closely examine whether or not KEDO can make a substantial contribution to the solution of the LWR issue as a reliable dialogue partner, and will make a decision on this basis.

If the U.S. side continues to shift what it should do to KEDO and attempts to overlook [woemyonharyogohandamyon] the LWR-supply agreement as it does now, we will be left with no other choice but to sit face to face with the United States, a signatory to the DPRK-U.S. framework agreement, and discuss the issue politically.

It is true that the implementation of the DPRK-U.S. framework agreement is one of the good ways for a solution to the nuclear issue on the Korean peninsula.

However, if no progress is made in the LWR supply, even though a year has passed since the agreement was adopted, we cannot be indefinitely tied down to a blank sheet of paper while emphasizing its significance.

For the solution of the issue, we can take another choice which the dialogue partner is well aware of.

Workers Denounce 'Persecution' of Pak Yong-kil

SK2709220495 Pyongyang KCNA in English
1527 GMT 27 Sep 95

[FBIS Transcribed Text] Pyongyang, September 27 (KCNA) — Working people of different circles in Korea have denounced the Kim Yong-sam group for still harshly persecuting under the fascist evil law Pak Yong-kil, who visited Pyongyang to pay homage to the great leader President Kim Il-song preserved in state at Kumsusan Memorial Palace and demonstrate the will for reunification.

Chu Mun-han, first vice-director general of the Yongsong Associated Machinery Bureau, said that the Kim Yong-sam group' persecution of Mrs. Pak who visited the northern half of the country with patriotic wish for the reunification is an intentional deed to kill her under detention. They are peerless traitors and villains bereft of humanity, to say nothing of nationality, he added.

Chang Pyong-hi, vice-chairman of the Pyongyang municipal rural economy committee, said that their persecution of Mrs. Pak, whose life is now in a critical condition as her heart disorder has gone from bad to worse, is a criminal deed which could be done only by the fascist hangmen ignorant of humanism, morality and ethics.

Dr. Kim Yo-chip, head of the heart ward of Kim Manyu Hospital, said that the life of Mrs. Pak suffering from heart disorder can be saved only when she goes under an intensive medical treatment in hospital as soon as possible. And he branded the Kim Yong-sam group, who are trying to murder her in jail by inflicting a heavy penalty upon her, as a group of brutes in human shape.

Yu Pyong-chol, chief pastor of Chilgol Church, said that the Kim Yong-sam fascist group's harsh suppression of Presbyter Pak Yong-kil is an unpardonable treachery against the entire fellow countrymen in the North, South and overseas, who are desirous of national reconciliation and the reunification of the country, and it is an outrageous challenge to the people in the North. The entire religionists in the northern half of the country will take an active part in the nationwide struggle for the rescue of Presbyter Pak.

Religionists Denounce Treatment of Pak Yong-kil

SK2909060095 Pyongyang KCNA in English
0443 GMT 29 Sep 95

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — Religionists in Pyongyang met Thursday at Changchung Cathedral and Pongsu Church to vehemently denounce the South Korean authorities for their brutal suppression of Presbyter Pak Yong-kil who had visited Pyongyang some time ago.

The South Korean authorities detained and prosecuted Presbyter Pak Yong-kil, chairperson of the 70 million Korean people's meeting for embracing national unification and co-chairperson of the family movement for realising democracy in South Korea, on a charge of violation of the "National Security Law." And they are totally ignoring an application for sick bail made by medical workers and defence panel. Her health is in critical conditions as a result of complications.

The meetings were addressed by Secretary General of the Central Committee of the Korean Roman Catholic Association Cho Song-il, Pastor Yi Song-pong, Presbyter Yun Yong-tok and missionary Kim Yong- ko at Pongsu Church and others.

The speakers said that the Kim Yong-sam group have detained and persecuted the pro-reunification patriot, who is highly praised by the whole nation, for the mere reason that she visited Pyongyang and met with the fellow countrymen in North Korea, and are now refusing to meet the humanitarian demand of medical workers and defence panel and that they are a herd of satans who do not want national unity and reunification and hooligans who are ignorant of ethics and natural law.

While leaving the fascist murderers who are masterminds of the Kwangju massacre in May 1980, going scotfree, the traitor Kim Yong- sam is ruthlessly cracking down upon pro-reunification patriots including Presbyter Pak Yong-kil, they said, adding:

The traitor who is harshly violating the conscience of justice- loving religionists is an incarnation of vice outdistancing Judas.

The speakers demanded that the Kim Yong-sam group unconditionally and immediately release Presbyter Pak, "a grandma of reunification", all "political prisoners" and unconverted long-term prisoners and scrap at once the anti-reunification "National Security Law".

Pyongyang Citizens Welcome South Defector

SK2909052595 Pyongyang KCNA in English 0435 GMT 29 Sep 95

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — Pyongyang citizens on Thursday met to warmly welcome Chon Chae-won who defected from South Korea to the North through a third country some time ago.

Chon Chae-won before his defection served at Chunchon branch of the Catholic Farmers' Association and did rough work in the field of construction.

An order of the DPRK, prize and a souvenir were awarded to Chon at the meeting.

Sin An-pang, vice-chairman of the Pyongyang municipal administration and economy committee, in his welcome speech expressed the belief that Chon Chae-won will devote himself to the socialist construction and the independent and peaceful reunification of the country and remain loyal and filial to the great leader general Kim Chong-il, who looks after his destiny and future with a great love.

Then Chon spoke in reply. He said that he had always yearned for the socialist system of the North, a man-centred system, in the corrupt and putrid society of South Korea and what he was moved to see the reality of the North is that the people in the North are the happiest people in the world blessed with the great father.

Although there is land in South Korea, there is no place for the working people to settle in and although there is a "country", there is no homeland for the working people, he said.

Referring to the miserable life of South Korean working people, he said Kim Yong-sam is a villain who is bent on maintaining his "regime", indifferent to the livelihood of the people in the South.

The working people of South Korea believe in and follow only respected General Kim Chong-il who values and looks after workers and farmers, and wish to be embraced in his bosom, he said, and stressed:

The man-centred social system in the North is, indeed, one for workers and peasants and the great leader General Kim Chong-il is, indeed, the real father and the sun of Korean nation.

Hanchongnyon To Send Team to Panmunjom

SK2909050495 Pyongyang KCNA in English 0455 GMT 29 Sep 95

["NODONG SINMUN Supports Hanchongnyon's Plan To Welcome its Delegates at Panmunjom" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The South Korean Federation of General Student Councils (Hanchongnyon) recently had the second meeting of its Central Committee and announced that it would send a large reception team to Panmunjom on October 3 to welcome Chong Min-chu and Yi Hye-chong who go back to South Korea after visiting the North as its delegates.

In a commentary NODONG SINMUN today says the move is very righteous and legitimate in view of the mission of Hanchongnyon, a patriotic organization of South Korea's one million students desirous of independence, democracy and reunification, and in view of the nation's ardent desire for reunification.

It further says:

The delegates of Hanchongnyon under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification, who have visited the North out of the patriotic will to become "birds" inspiring the 70 million fellow countrymen with the hope for reunification, are brave daughters of the nation and envoys of reunification. This is why Hanchongnyon decided to dispatch a large reception team to Panmunjom to welcome its delegates, who return after doing a praiseworthy thing for national reconciliation and reunification.

Their going back to South Korea through Panmunjom amid deep interest and encouragement of the fellow countrymen will demonstrate the firm resolution of youths and students in the North and the South to put an end to the tragedy of division at the cost of their lives and become the last generation of the divided country and the first generation of the reunified country.

Hanchongnyon will come to Panmunjom in teeth of fascist suppression and warmly greet its brave delegates.

If the Kim Yong-sam group put the delegates and the reception team on the altar of the "National Security Law", they will face a stern punishment by the nation and will have to pay dearly for their crimes.

Hanchongnyon Decision To Go on Strike Viewed

*SK2809060795 Pyongyang KCNA in English
0503 GMT 28 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — The South Korean Federation of General Student Councils (Hanchongnyon), a vanguard organization of one million students of South Korea, held the 2d meeting of its Central Committee at Chungnam University over September 25-26, participated in by about 500 chairmen and members of General Student Councils of 204 universities across South Korea, a Seoul-based radio said.

The meeting decided to go on strike, as scheduled, over September 29-30 in demand of the punishment of the principal architects of the Kwangju massacre in May 1980.

Hanchongnyon called a press conference, at which it announced that it would wage the struggle for punishment of Kwangju murderers until the elections of puppet assemblymen due next year, organise street demonstrations with regions and schools as a unit during the time and sponsor large-scale meetings in Seoul and other areas in solidarity with mass movement organizations.

In particular, Hanchongnyon announced that it would dispatch, on October 3, a large welcome group to Panmunjom to greet its delegates Chong Min-chu and Yi Hye-chong on returning from a visit to Pyongyang.

It manifested its determination to push ahead with the establishment of sistership between Seoul National University and Kim Il-song University and continue to invigorate the struggle to repeal the "National Security Law", an anti-reunification evil law.

It set the orientation of students' movement in the latter half of the school year as reunification movement and as the struggle of solidarity between workers and students and decided to concentrate all its forces on bringing it into effect.

The organization vowed to actively take part in the movement for building a Democratic Federation of Trade Unions by organizing a supporters corp for inauguration of the federation and waging a vigorous movement for abolition of evil labour laws, as part of the struggle of solidarity between workers and students.

Daily Comments on ANSP's Removal to New Site

*SK2809062695 Pyongyang KCNA in English
0523 GMT 28 Sep 95*

["Noxious Plants Cannot Be Medicinal Herbs" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — NODONG SINMUN today comments on the fact that the Kim Yong-sam group had the "Agency for National Security Planning" (ANSP), headquarters of evils, removed recently from Nam hill to Socho District, Seoul.

In a commentary titled "Noxious Plants Cannot Be Medicinal Herbs on Any Land" the paper says the removal of the "ANSP" was aimed at veiling its truculent and ugly color and equip it with up-to-date facilities as befits a tool of fascism, murder, torture and intelligence so as to further intensify the suppression of the people and the anti-North plots.

The dissolution of the headquarters of intelligence, murder and torture is a demand of the time and the people, the paper says, and continues:

The plot-breeding tool has committed all kinds of barbarities and crimes which even brutes would have turned away from in disgust for scores of years from the day when the "Central Intelligence Agency" was set up by the "Yusin" dictator.

This is why it has become a target of the South Korean people's resentment, denunciation and overthrow.

Instead of dissolving it, however, the Kim Yong-sam group have further expanded and strengthened it than in the period of the military dictatorial regimes. This is a crime indelible down through generations to come.

They are answering the people's demand for its immediate dissolution with the intensified suppression of the people and anti-North plots, making it more fascist and enhancing its function, for which they must be made to pay dearly.

Hanchongnyon Delegates Meet Kim In-so's Family

*SK2809071595 Pyongyang KCNA in English
0508 GMT 28 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — Chong Min-chu, Yi Hye-chong, delegates of the South Korean Federation of General Student Councils (Hanchongnyon) under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), met with the family of Kim In-so, an unconverted long-term prisoner in South Korea, on September 26.

Choe Chong-nam, director of the joint secretariat of Pomchonghangnyon, was present at the meeting.

Hailing from the North of the country, Kim In-so joined the Korean People's Army in the period of the fatherland liberation war (June 1950-July 1953). After being held prisoner by the enemy, he served about 30 years in prison.

The daughters and younger sister of Kim In-so said the "Hanchongnyon" delegates' determination to go back to South Korea through Panmunjom is a demonstration of their firm will to put an end to the sufferings of the fellow countrymen from the division and reunify the country and a praiseworthy deed which deserves respect and love from all the fellow countrymen.

They hoped that back home, the delegates will continue vigorously struggling for the reunification and convey warm greetings of the mothers in the North and their desire for reunification to the parents of the brave daughters and the one million students of "Hanchongnyon".

The delegates said they have keenly felt the Korean nation's desire for reunification everywhere they went in the North and vowed to invigorate the struggle for the reunification of the country in the '90s.

They, in token of their meeting, wrote letters reflecting their faith and will for the family of Kim In-so.

The Kim's family gave souvenirs to the delegates.

Daily on Normalizing Ties With Japan

SK2809151995 Pyongyang Korean Central Broadcasting Network in Korean 0849 GMT 28 Sep 95

[NODONG SINMUN 28 September special article: "DPRK-Japan Relations Should Be Normalized in Accordance With the Three-Party Joint Declaration"]

[FBIS Translated Text] A historic joint declaration of the Workers' Party of Korea [WPK], the Liberal Democratic Party of Japan [LDP], and the Japan Social Democratic Party [SDP] was announced in Pyongyang five years ago. This was an epochal event that serves as a milestone for improving the abnormal relations between the DPRK and Japan.

The great leader Comrade Kim Il-song taught: On account of the DPRK and Japanese peoples' demand and interests and because of the world's developing situation, the normalization of DPRK-Japan relations is an urgent issue that cannot be delayed any further.

The three-party joint declaration reflects the desire and aspirations of the DPRK and Japanese peoples to eliminate the remnants of the old times that exist between the two countries and establish a good-neighborly relationship. The joint declaration also reflects the demand of the times.

The DPRK and Japan are geographically close. It is regrettable, however, that the DPRK and Japan are on both intimate and distant terms. This relationship between the DPRK and Japan runs counter to the interests of the two countries' peoples and has brought about results unfavorable to the peace, security, and prosperity of Asia. This is why, since long ago, the DPRK and Japanese peoples have desired that the two countries improve their relations and get along well with each other.

The three-party joint declaration is a product of the common desire and aspirations of the peoples of the DPRK and Japan. The joint declaration specifies principled requirements for improving DPRK-Japan relations, including that Japan make an official apology and make sufficient compensation to the DPRK for the great sufferings and disasters Japan inflicted upon our people during its past colonial rule over Korea after occupying it and for the damage it brought to the Korean people after World War II. The declaration also specifies that the DPRK and Japan establish diplomatic relations.

These principles are based on the view that DPRK-Japan relations can be improved, by nature, by clearing off the wrongful past between the two countries and developing new friendly relations in accordance with the interests of the peoples of the two countries and in accordance with the demand of the times.

The announcement of the three-party joint declaration has provided a guideline for a new start in improving DPRK-Japan relations and has opened a way for realizing the desire of the peoples of the two countries for the improvement of DPRK-Japan relations.

The WPK has invariably made efforts to implement the three-party joint declaration since the date when it was announced. The LDP and the SDP, along with sensible Japanese politicians, have also made efforts to implement the joint declaration. As a result, the three-party joint declaration has been partially implemented.

Terms regarding the DPRK specified in Japanese passports have been removed; the fingerprint system for Koreans in Japan has been abolished; an agreement has been reached on opening a direct air route, using charter planes, and using satellite communication facilities between the DPRK and Japan.

However, fundamental questions concerning DPRK-Japan relations — the liquidation of Japan's past and the normalization of diplomatic relations — have not yet been settled. DPRK-Japan inter-governmental talks for the normalization of diplomatic relations began in accordance with the three-party joint declaration but have been suspended. The Japanese side is entirely responsible for the suspension of DPRK-Japan inter-governmental talks for the normalization of diplomatic relations.

The goal of DPRK-Japan inter-governmental talks was the normalization of diplomatic relations between the two countries after Japan liquidated its past and improved relations between the two countries, in conformity with the spirit of the three-party joint declaration. Accordingly, only the improvement of DPRK-Japan relations should have been discussed in the talks. However, the Japanese side raised issues which had nothing to do with the talks and complicated the talks, following someone else's insistence without independence. As a result, the talks have been suspended.

Facts show that the issue of improving DPRK-Japan relations can resolved in accordance with the interests and desires of the peoples of the two countries only when the two sides respect the spirit of the three-party joint declaration and talks are held based on it. Smooth settlement of DPRK-Japan relations depends on how determined the two sides are to solve the issue on the basis of the three-party joint declaration.

The three-party joint declaration on DPRK-Japan relations is a historic declaration which both the DPRK and Japan agreed upon. It reflects the desire of the two countries' peoples. The two sides solemnly announced the agreement to the world, and the two sides are bound to implement the declaration as specified.

It is important, in solving the issue of DPRK-Japan relations based on the spirit of the three-party joint declaration, to observe the character of DPRK-Japan dialogue and the principles of their negotiations, which were specified in the agreement for the resumption of DPRK-Japan talks.

There have been loud voices at home and abroad calling for the resumption of DPRK-Japan talks to improve bilateral relations since the DPRK-Japan inter-governmental talks for the normalization of diplomatic relations were suspended due to the Japanese side's unfair position and attitude.

In particular, Japanese people have made active moves demanding the early resumption of DPRK-Japan talks. Reflecting this demand, a WPK delegation and delegations of the three Japanese ruling coalition parties — the LDP, the SDP, and the new party Sakigake — held talks last March and adopted and announced the agreement for resumption of DPRK-Japan talks.

The agreement is literally on the resumption of DPRK-Japan talks and specifies principled requirements on the character and attitude of future talks to be resumed, based on the lessons from previous DPRK-Japan inter-governmental talks held in accordance with the historic three-party joint declaration.

The agreement made it clear that the forthcoming DPRK-Japan inter-governmental talks will be a resumption and a continuation of the talks which were held in accordance with the three-party joint declaration, which clarifies principled problems arising in DPRK- Japan relations. Thus, it was affirmed again that future DPRK-Japan talks will be based on negotiations for improving relations between the DPRK and Japan, thoroughly based on the spirit of the three- party joint declaration.

The agreement also stipulated that Japan shall apologize and compensate for the immeasurable sufferings and disaster it inflicted upon the Korean people in the past before establishing diplomatic relations with the DPRK, thus clarifying the essence and order of issues to be discussed at future talks.

In case the talks are resumed, in order for them to be successful, it is necessary for the sides to have a correct position and attitude toward the talks. The talks were suspended in the past because the Japanese side raised issues which had nothing to do with the talks and spoke for outside forces, blemishing the atmosphere of dialogue.

Based on this lesson, the agreement specified that further inter- governmental talks should be for the purpose of the improvement of relations with no preconditions and be held strictly from an independent and self-determined position.

As noted in the agreement, it is needless to say that the historic three-party joint declaration and the agreement for the resumption of DPRK-Japan talks are binding on the two governments and the inter-governmental talks should be held on this basis.

The historic three-party joint declaration was, is, and will be the basis for the improvement of DPRK-Japan relations. If talks are held in accordance with the principled requirements specified in the agreement for the resumption of DPRK-Japan talks, and strictly based on the spirit of the three-party joint declaration, fundamental changes will be achieved in DPRK-Japan relations.

Japan Should Not Seek UNSC Seat

SK2809134795 Pyongyang KCNA in English
1034 GMT 28 Sep 95

["Does Japan Have Qualifications for Permanent Membership of UN Security Council?" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — NODONG SINMUN today in a signed article says that Japan has no face nor qualifications for the permanent membership of the UN Security Council.

Recalling that Japan has tried to get a permanent seat in the UN Security Council with the approach of the 50th UN General Assembly session, the paper asks if Japan has the qualifications for the permanent membership.

It is unbiased public opinion that Japan has no elementary qualifications for the permanent membership of the UN Security Council, the paper says, and continues:

Japan is using its "contribution to the UN" for its access to the permanent membership of the UN Security Council. This is the height of impudence.

Whether a country gets a permanent seat in the UN Security Council or not does not depend on the size of its contribution to the world body at all. But the behaviour of Japan is a mockery of the UN and an insult to world politics.

Japan is now looking down upon other countries, contending that she is an economic power which holds a lion's share in the contributions to the UN. If such country gets a permanent seat in the UN Security Council, it will behave more audaciously than ever before.

If Japan wants to get a permanent seat in the UN Security Council, it should not be impolite from a moral point of view but win the deep trust of international community.

The Japanese authorities, however, do not feel their responsibility for the past wrongdoings, but still refuse to atone for them properly.

Japan's aggression and war in the past are all international crimes committed by the state of Japan. This has been confirmed by international law and recognised by the world.

It is self-evident that since she loses international confidence for her refusal to atone for the past crimes, Japan has not been entitled to get a permanent seat in the UN Security Council.

Now that Japan refuses to atone for the past crimes, she cannot be a permanent member of the UN Security Council any time.

Far from making efforts to cleanse her dishonour such as "enemy state", Japan is trying to embellish and justify her past aggression and crimes.

Japan seeks to curry favour with the U.S. and realise her militaristic design with the U.S. backing.

If Japan wants to get a permanent seat, she must behave herself over the question of human rights as well.

In the past years Japan has said yes only to a few UN conventions on human rights. Still worse, she has not properly implemented them.

It is foolish of Japan to try to get a permanent seat in the UN Security Council, while refusing to do what she should do.

The Japanese authorities would be well advised to do what Japan should do before trying to get a permanent seat in the UN Security Council.

Daily on Prerequisites for Improved Japan Ties

SK2809104895 Pyongyang KCNA in English
1007 GMT 28 Sep 95

["DPRK-Japan Relations Should Be Set Up in Accordance With Three-Party Joint Declaration" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — NODONG SINMUN today carries an editorial article titled "DPRK-Japan Relations Should Be Set Up in Accordance With Three-Party Joint Declaration", in connection with the publication of the historic joint declaration of the Workers' Party of Korea, the Liberal Democratic Party of Japan and the Japan Social Democratic Party in Pyongyang five years ago.

The three-party joint declaration mirrors the desire and aspirations of the peoples of the two countries to do away with the legacies of the old times existing between the DPRK and Japan and establish good-neighbour relationship, as well as the demand of times, the article says.

It continues:

The declaration includes principled requirements in improving DPRK-Japan relations — Japan should make an open apology and make an adequate compensation to the DPRK for the great sufferings and disasters she inflicted upon the Korean people during her past colonial rule over Korea and for the damage she brought to the Korean people after World War II; the two countries will establish diplomatic relations; etc.

Abolition of the fingerprint system for the Koreans in Japan and some other matters, described in the declaration, have been implemented. But the matter of liquidating the past of Japan and the matter of normalizing diplomatic relations, the main points in DPRK-Japan relations, have not been settled, the article notes.

As for the suspension of DPRK-Japan intergovernmental talks for the normalization of diplomatic relations, the responsibility entirely rests with the Japanese side.

The Japanese side followed other's argument without independence and raised issues which have nothing to do with the talks, complicating the talks.

Satisfactory settlement of DPRK-Japan relations depends on how steadfast the position of the sides is to solve the issue on the basis of the three-party joint declaration. The joint declaration on the bilateral relations is a historic declaration which both the DPRK and Japan agreed upon carrying the desire of their peoples and solemnly announced to the world. So the two sides are bound to implement it to the letter.

What is important in solving the issue of the bilateral relations in the spirit of the joint declaration is to observe the character of dialogue between the DPRK and Japan and the principle of their negotiation which were laid down in the agreement for the resumption of the talks.

The agreement made it plain that the forthcoming DPRK-Japan inter-governmental talks will be a resumption, a continuation of the talks which opened under the joint declaration, which clarified the principled problems arising in the bilateral relations.

It also stipulated that Japan shall apologize and compensate for the immeasurable sufferings and damage she inflicted upon the Korean people in the past before establishing diplomatic relations. Thus the essence and order of issues to be discussed at the talks were made clear.

It said that the forthcoming talks should be for the purpose of the improvement of relations with no precondition and be held strictly from an independent, self-determined position.

It is needless to mention that, as noted in the agreement, the historic three-party joint declaration and the agreement for the resumption of DPRK-Japan talks are binding on the two governments and the intergovernmental talks should be held on this basis.

The historic joint declaration was and will be the basis for the improvement of DPRK-Japan relations.

Chongnyon Urges Release of Pak Yong-kil

SK2809134895 Pyongyang KCNA in English 1039 GMT 28 Sep 95

[FBIS Transcribed Text] Tokyo, September 27 (KNS-KCNA) — The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) released a statement today viewing the South Korean authorities' imprisonment of Pak Yong-kil, widow of Rev. Mun Ik-hwan, after her visit to Pyongyang as a vicious challenge to the 70 million Koreans at home and abroad, who hope for national reunification in the '90s.

At a time when all the fellow countrymen at home and abroad are praising her Pyongyang visit as a patriotic deed for the country's reunification and respecting her as "grandmother of reunification," the Kim Yong-sam clique are still keeping her behind bars, the statement said. This is a never-to-be-condoned act against the Korean nation.

It further said:

We strongly demand that the South Korean rulers unconditionally and immediately release her and promptly abolish the "National Security Law," an anti-reunification fascist law which defines the fellow countrymen in the North as the "enemy."

It declared that Koreans in Japan will, in close unity with all other compatriots in the North, the South and overseas, invigorate the struggle for smashing the Kim Yong-sam clique's criminal moves at every step, rescue the "grandmother of reunification" and reunify the country through confederacy in the '90s.

It expressed the hope that the world people of conscience including Japanese people who respect justice and human rights and support the independent and peaceful reunification of Korea will extend firm solidarity to the Korean people in their struggle to rescue Pak Yong-kil of South Korea, a patriotic champion of reunification.

Reunification Committee Issues Bulletin

SK2809020495 Pyongyang KCNA in English 2159 GMT 27 Sep 95

[FBIS Transcribed Text] Pyongyang, September 27 (KCNA) — The International Liaison Committee for the Reunification and Peace in Korea printed the September issue of bulletin on September 19.

The bulletin wrote that the DPRK is a sovereign and independent state with the peculiar socialist system of Korean style and a powerful independent national economy and represents the interests of the entire

Korean nation. It expressed solidarity with the Korean people in their struggle to reunify the country in the 90s.

It carried news that Korean youth and compatriots in the North, the South and abroad held a starting ceremony of the march of the grand national reunification festival to mark the 50th anniversary of the liberation of the country on Mt. Paektu, a great national conference of political parties and organisations from the North, the South and abroad was held at Panmunjom and an international solidarity meeting for the reunification of Korea in Pyongyang.

The bulletin edited news of the anti-"government" struggle of South Korean students.

PRC Envoy, Staff Assist in Harvesting at Farm

SK2809100495 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 25 Sep 95

[FBIS Translated Text] Qiao Zonghuai, PRC ambassador to our country, and the embassy staff helped harvesting at the Taegam cooperative farm, a DPRK-PRC friendship farm, today.

The guests harvested rice along with the farmers of this farm who had been accelerating work to glorify this year, the 50th anniversary of the founding of the Workers Party of Korea.

While taking a rest, the guests and the farmers sang DPRK and Chinese songs and strengthened the friendship between the two countries.

Chong Chun-ki Speaks on Ties With PRC

SK2809060195 Pyongyang KCNA in English 0449 GMT 28 Sep 95

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — The Korean Committee for Cultural Relations With Foreign Countries and the Central Committee of the Korea-China Friendship Association hosted a banquet at Ongyu restaurant on Wednesday on the occasion of the 46th anniversary of the founding of the People's Republic of China.

In his speech at the banquet, Chairman of the Committee for Cultural Relations With Foreign Countries Chong Chun-ki said that the foundation of the People's Republic of China on October 1, 1949, was an event which made a new epoch in the Chinese people's history spanning several thousand-years.

In the past 46 years, the Chinese people have built a new socialist China in their country under the correct leadership of the Communist Party of China, the speaker added.

He elaborated on remarkable achievements made by the Chinese people in their endeavours to secure the stability and unity of the country, accelerate the modernisation of their country and build socialism with the Chinese characteristics.

Recalling that the great leader Comrade Kim Chong-il is paying particular attention to the strengthening and development of the Korea-China friendship through generations as intended by the great leader President Kim Il-song in his lifetime, he declared that the Korean people would make strenuous efforts to further develop the Korea-China friendship in the future, too.

Chinese Ambassador to Korea Qiao Zonghuai said in his speech:

Although Comrade Kim Il-song, the great leader of the Korean people and an intimate friend of the Chinese people, passed away to their regret, his exploits will be immortal.

The Chinese ambassador said that after the death of President Kim Il-song, the heroic Korean people changed their sorrow into strength and have made achievements in their struggle to implement the behests of the president and the new revolutionary economic strategy, closely rallied around the Central Committee of the Workers' Party of Korea headed by Comrade Kim Chong-il.

Referring to the friendship between China and Korea, he said:

It is an invariable policy of the Chinese party and government and the unanimous desire of the Chinese people to steadily consolidate and develop the traditional Sino-Korean friendship and strengthen it generation after generation.

We will consistently implement this policy however the international situation may change in the future.

Chinese PLA Visiting Group Visits Panmunjom

SK2809103595 Pyongyang Korean Central Television Network in Korean 1100 GMT 25 Sep 95

[FBIS Translated Text] The friendship visiting group of the Chinese People's Liberation Army, which is visiting our country, has visited Panmunjom. While at Panmunjom, the guests looked around the signature room of the Armistice Agreement — where the U.S. imperialists signed the surrender documents after suffering a disgraceful and crushing defeat, as a result of the war of aggression they unleashed on the Korean Peninsula. They also visited the conference room where the Armistice Agreement was discussed and other conference rooms at Panmunjom.

The guests could not restrain their indignation at the crime of the antireunification and divisionist forces who brought the disaster of national division to the Korean people and who are blocking reunification of the fatherland.

After the visit to Panmunjom, the delegation head left a message in the guest book.

China's PLA Group Visits Various Sites

SK2909040795 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 26 Sep 95

[FBIS Translated Text] The friendship visiting group of the Chinese Peoples' Liberation Army [PLA] led by Lieutenant General Zhang Gong, political commissar of the Academy of Military Sciences, visited Kim Il-song Political College on 25 September.

When the guests arrived at the college, a woman soldier offered a bouquet to the head of the delegation. The faculty members of the college warmly welcomed the guests. Listening to the briefing on the proud course the college followed under the wise leadership of the great leader Comrade Kim Il-song and the respected and beloved supreme commander Comrade Kim Chong-il, the guests toured various facilities.

On 26 September, the guests toured the Tower of Chuche Idea, Pyongyang Subway, and Sohae Lockgate.

After having toured the Tower of Chuche Idea, the head of the delegation wrote in the record of the visitors' impression that the revolutionary spirit of Comrade Kim Il-song is a driving force of the progress the Korean people make.

The guests also toured Panmunjom and visited Comrade (Chon Yong- kil's) unit of the Korean People's Army. The visiting group toured Mt. Kumgang, a place of scenic beauty.

Wangjaesan Music Ensemble Returns From PRC

SK2809100595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 Sep 95

[FBIS Translated Text] The Pyongyang Wangjaesan Light Music Ensemble returned home by train on 24 September after successful performances in China. Functionaries of sectors concerned received the light music ensemble at the Pyongyang station.

Overseas Koreans Visit Kumsusan Memorial Palace

SK2909055395 Pyongyang KCNA in English 0437 GMT 29 Sep 95

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — Overseas Koreans visited Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state and made a deep bow to him on Thursday.

They are the members of a delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) led by Vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan Cho Son-o and Vice-chairman of the South Korean Youth League in Japan Yi Chong-su, who are directors of the joint secretariat of the overseas headquarters of Pomchonghangnyon, an art troupe of young Korean artistes in Japan, a delegation of artists of the General Association of Korean Residents in Japan (Chongnyon), a home- visiting group of students of Korean University under Chongnyon and the 246th short-term home-visiting group of Korean residents in Japan.

Kim Chong-il's Visits to KPA Units Viewed

SK2809121295 Pyongyang KCNA in English 1013 GMT 28 Sep 95

["Supreme Commander Among Soldiers" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — The great leader Comrade Kim Chong-il, supreme commander of the Korean People's Army, recently inspected civil police posts of KPA unit 893.

He inspected the posts in the forefront area to learn about the guard duty of soldiers and the defence capabilities and expressed deep satisfaction. He called at the daily provision storehouse and the kitchen of a civil police post to see how non-staple food was kept and how the soldiers were provided with food. He paid deep attention to the heating of barracks in winter.

He saw a soldiers' entertainment and had a picture taken with them.

Comrade Kim Chong-il always visits KPA soldiers, who defend the country and the people's happiness. He feels happiest when he is among them.

One day in the spring of 1975, he visited a post of soldiers in the pine grove. Saluted by the commanding officer, he inquired about the health of soldiers.

He was very glad to hear that they were all fine. With parental care, he learned about the work and life of the soldiers. He sat knee to knee with soldiers, saying he felt happiest when he was among them. He saw a training of soldiers, praised them and gave them tasks and ways to successfully fulfill military orders.

He always loves and honors the soldiers. On the New Year's Day this year, he visited a unit of the KPA to congratulate the soldiers and had a picture taken with them.

Afterwards, he gave on-site guidance to various units, including a coast artillery women's company of KPA Unit 291 and Navy Units 155 and 1017. He imbued the soldiers with wisdom and courage and taught them chuche war tactics so that each of them could be a match for a hundred foes. He took warm care of their life and showed deep loving care and trust.

That is why the officers and men of the KPA uphold and follow him as the supreme commander of the revolutionary Armed Forces and their father and remain loyal and devoted to him.

Symposium Held on 'Epic' Lauding Kim Chong-il

SK2809144295 Pyongyang KCNA in English
1023 GMT 28 Sep 95

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — A symposium on the chuche-based literary and art idea took place here Tuesday as regards the epic "Future of Korea Will Be Everlasting" created as a monumental masterpiece under the leadership of the Workers' Party of Korea.

The epic, which paved a new way of portraying the leader, tells in a profound way about the immortal feats and deep solicitude of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il for the rising generation.

Singing of their deep loving care for the children, the epic bespeaks that President Kim Il-song and General Kim Chong-il are the incarnation of deepest love for the children, the future of the country.

Especially, it vividly shows that President Kim Il-song's view on the children is the same with that of General Kim Chong-il and stresses in a philosophical way that President Kim Il-song is just General Kim Chong-il and the general, the children and the people are in perfect harmony.

The speakers at the symposium noted that the epic was created as a masterpiece by Comrade Kim Chong-il's distinguished intelligence, outstanding leadership and deep solicitude and that he read the epic and highly appreciated it.

Foreign Leaders Congratulate Kim Chong-il

SK2909045195 Pyongyang KCNA in English
0413 GMT 29 Sep 95

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The great leader Comrade Kim Chong-il received congratulatory telegrams from foreign heads of state and government and party leaders.

They are Slovenian President Milan Kucan, Cyprian President Glavcos Kliridhis, Azerbaijan President Geydar Aliyev, Cambodian Second Prime Minister Hun Sen, General Secretary of the C.C. [Central Committee], the Bangladesh Communist Party (Marxist- Leninist) Dilip Barua, Chairman of the C.C., the Tajik Communist Party Sh. D. Shavdolov and Chairman of the National Executive Committee of the Polish League of Communists "Proletariat" Zbigniew Wiktor.

They extend warm congratulations to Comrade Kim Chong-il on the national day and wish him a long life in good health.

They express the belief that the friendly and cooperative relations between their countries and Korea and between their parties and the Workers' Party of Korea will continue to grow in scope.

Kim Chong-il Sends Birthday Table

SK2909053295 Pyongyang KCNA in English
0416 GMT 29 Sep 95

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The great leader Comrade Kim Chong-il sent an 80th birthday table to Prof. and Dr. Im Munpin, a section chief of the Yi Pyong-kun Hospital, for his long service in health care and his great contribution to the development of medical science.

The birthday table was conveyed to him on September 26.

When Seoul was liberated by the People's Army soldiers in 1950, he volunteered to serve in the People's Army. He has since brought his hope into full play and grown to be an able health worker under the particular care of the great leader President Kim Il-song.

Over the past 40 odd years, he has treated many patients, trained several doctors and some ten associate doctors and published valuable scientific papers.

Daily Stresses Political Work by Functionaries

SK2909025395 Pyongyang MINJU CHOSON in Korean 21 Jul 95 p 1

[Editorial: "Functionaries of the State Economic Organizations Should Vigorously Carry Out Political Work"]

[FBIS Translated Text] In his historic work, "Putting the Ideological Work in the Forefront Is an Inevitable Demand in Carrying Out Socialist Cause," the great leader [yongdoja] Comrade Kim Chong-il put emphasis on putting forth and vigorously carrying out the political work and work with the people by our functionaries — the commanding members of the revolution — as an important revolutionary duty and as the first process in carrying out the revolutionary task.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"In a socialist society, functionaries in all sectors and all units must carry out both the ideological work and political work."

What our party has been consistently emphasizing is for functionaries of the state economic organizations to work in a political way. Functionaries of the state economic organizations are the organizer and educator of the masses. They cannot move the people's minds through orders and instructions. Functionaries of the state economic organizations must put the political work as the first process before any other work, and carry it out substantially so that the masses can be correctly organized and mobilized to successfully carry out the presented revolutionary task.

Based on the scientific analysis of the significance and importance of ideological work and political work in carrying out the socialist cause, the great leader [yongdoja] Comrade Kim Chong-il presented a policy on firmly putting the political work in the forefront of all works in the whole course of socialist construction, and wisely led functionaries of the state economic organizations to work through political methods. Practical experience shows that when functionaries of the state economic organizations vigorously carry out the political work in accordance with the party's intention, endless progress can be made in socialist economic construction by changing the masses' upsurged enthusiasm into enormous material strength.

Vigorously carrying out the political work is an important demand for functionaries of the state economic organizations to consolidate the camps of socialist revolution of our own style with impregnable fortress. The invincibility of the camps of socialist revolution is dependent upon how mighty the socialist ideological camp is. The ideological work and political work to firmly consolidate the camps of socialist ideology is not a work carried out only by party functionaries and functionaries in the ideological work sector. In a socialist society, whatever work they do in whatever sector and unit, functionaries must carry out all political work. Through the method of one educating 10, 10 educating 100, and 100 educating 1,000, work with the people and the political work must be carried out vigorously so that socialist ideology can be filled throughout the society, firmly consolidate the camps of socialist ideology, and vigorously push ahead with revolution and construction.

For functionaries of the state economic organizations to vigorously carry out the political work is an inevitable demand to successfully carry out revolutionary task facing us. Currently, there are many functionaries in the state economic organizations of each classes. If all of them deeply study their work and substantially carry out the political work with a correct methodology, greater results can be achieved in economic work. The problem of achieving innovations in implementing the party's revolutionary economic strategy by highly upholding the fatherly leader's lifetime teaching by all the workers, and creating feats in the struggle for the prosperity and development of my country and my fatherland, are importantly related with how substantially the political work is carried out by functionaries of the state economic organizations.

All functionaries of the state economic organizations must bear in mind that the key to victory in socialist economic construction lies in moving the people's ideology, and thus must carry out the political work freshly and offensively.

What is important for functionaries of the state economic organizations in vigorously carrying out the political work is deeply treasuring the perception of working as presented in the work.

In his work, the great leader [yongdoja] Comrade Kim Chong-il regulated the ideological, cultural, and educational function as one of the important functions in socialist state and taught that functionaries must carry out the political work well regardless of what kind of work they do in whatever sector and unit. Carrying out activities according to the intention of the great leader [yongdoja] Comrade Kim Chong-il by functionaries of the state economic organizations who grew up amid the bosom of the party and leader [suryong] and became commanding members of the revolution, is an immutable law which cannot be violated. Functionaries of the state economic organizations must correctly have an understanding of the great leader [yongdoja] Comrade Kim Chong-il's intention on vigorously carrying out the political work, and have the firm determination to work according to that demand. Also, the political work must become a rule and habit in our lives, thus actively making efforts so that they can become competent commanders mobilizing the masses' ideology through the strong political work.

If the political work is to be carried out vigorously, the functionaries of the state economic organizations must also go deeply into the masses.

The target of work for the functionaries of the state economic organizations is the producer masses, and thus if the political work is to be carried out vigorously, they must go deeply into the masses. A functionary who is not practical and who is apart from the masses cannot be a competent propagandist and agitator.

The functionaries of the state economic organizations must go into the lower echelons with a chuche-oriented mass's point of view. By doing so, they must thoroughly systemize the work of going into the masses. The functionaries of the state economic organizations must go into socialist construction sites where the party's economic construction plans are being realized, and smell the grease and soil with the masses and explain and infiltrate our party's intention to them easily. Also, they must unite with the producer masses to find correct methods to successfully carry out the presented revolutionary tasks, and must actively encourage and promote them so that they can certainly carry out the entrusted economic tasks they face with redoubled courage. The functionaries of the state economic organizations must also widely introduce and propagandize the results, experiences, and proud examples that were achieved in the struggle to implement the fatherly leader's lifetime teaching. Therefore, wherever the functionaries of the state economic organizations are, the party's pulsating breath must be felt and the drum beat of the revolution must be always resounded highly.

If the political work is to bear great fruit, it must be carried out in accordance with the concrete situation of its sector and its unit.

The economic guiding functionaries in the coal industry, electric industry, railway transportation, and metal industry sectors must run to the battle field where flames are sparkling to have a concrete understanding of the situation, and carry out the political work in accordance with its method and form. Functionaries must explain and infiltrate the fatherly leader's lifetime teaching and the party's policy which was presented to the sectors of the producer masses, so that they can live and work with the spirit they had when the first shovelling was conducted during the days of war and on the ruins after the war like the soldiers on outpost duty who defended the preceding sectors of economic construction. The economic guiding functionaries in the agriculture, light industry, and trade sectors must deeply plant our party's lofty intention of providing conditions for a more abundant and happy life to the producer masses; make them aware of the importance of the revolutionary duty they are entrusted with; and make them manifest high revolutionary enthusiasm and creative positiveness in implementing the party's policy that agriculture is best, the light industry is best, and trade is best. Along with this, collective education must be strengthened so that all the workers can help and lead each other to carry out work and live in a revolutionary way.

An important demand in vigorously carrying out the political work is for the functionaries of the state economic organizations to possess high political and practical character.

It is a matter of course for the people to accept and work as much as they know. If functionaries' level is low and their qualifications are lacking, they cannot carry out the political work in accordance with the party's intention, however high their loyalty is and however great their ambition is. For the functionaries of the state economic organizations to neglect the political work and cling to administrative methods is importantly related to the fact that their level is low.

The functionaries of the state economic organizations must work in a political way so that if they are to serve the party and revolution all the more, and the fatherland and people well, they must bear in mind that they must have a high political and practical character, and thus study persistently. The functionaries of the state economic organizations must regard the great leader [yongdoja] Comrade Kim Chong-il's work which was published this time as the most precious ideological and spiritual provisions, and study by investigating each word and phrase to deeply experience the essence and content of the work. By so doing, they can all the more firmly arm themselves with the great leader [yongdoja] Comrade Kim Chong-il's ideology and theory who magnificently elucidates the popular masses' course of independent cause and elucidates the socialism of our own style through the ever-victorious scientific leadership, and thoroughly prepare themselves to become useful functionaries embraced with a firm faith. Along with this, they must possess versatile knowledge widely and deeply such as politics, economy, and culture so that they can be well versed in the professional knowledge of their field.

The party's trust and expectation toward the functionaries of the state economic organizations is great today.

The functionaries of all the state economic organizations must vigorously carry out the political work in accordance with the party's intention so that they can actively encourage and promote the masses in the grand march to implement the party Central Committee's slogan and actively contribute to welcoming the 50th anniversary of the party's founding with high political enthusiasm and brilliant labor results.

Party's Control of Cultural Means Stressed

SK2909053895 Pyongyang NODONG SINMUN in Korean 19 Aug 95 p 6

[Article by Kim Chon-son: "Ideological and Cultural Means Beyond the Party's Control Can Be Used as Means Against the Revolution"]

[FBIS Translated Text] In the immortal classic work "Giving Priority to Ideological Work Is an Essential Requirement in Implementing the Socialist Cause," the great leader [yongdoja] Comrade Kim Chong-il clearly elucidated the importance of the working-class party's guidance and control of ideological and cultural means.

The great leader Comrade Kim Chong-il noted:

"When ideological and cultural means are beyond the party's guidance and control in the socialist society, they can be used as means against the revolution. This is proved by the fact that betrayers of socialism and reactionaries held sway in ideological and cultural means and used them for attacking socialism in the past in some countries where socialism was being built."

It is the most important principle of ideological work to guarantee the working-class party's leadership for ideological work. It is particularly important to strengthen the working-class party's guidance and control of ideological and cultural means, such as publications, literature, and art. This is because ideological and cultural means serve as powerful weapons for educating, organizing, and mobilizing the masses.

Ideological work is work of handling people's ideas; press, publishing, literature, and art activities take important part of the party's ideological work. Ideological and cultural means are powerful and great influential ideological weapons for propagating the party's ideas and policies to a broad range of the popular masses everyday and at every hour.

In the socialist society, all ideological and cultural means, including the press, publications, literature, and art, should thoroughly serve as means to defend and advance the socialist cause in accordance with the popular masses' demand for independence. To implement this mission, the ideological and cultural means should be under the party's guidance and control. Only when they are under the party's guidance and control, can they truly contribute to defending and completing the socialist cause and brilliantly implemen
and role as powerful ideological weapon

As the great leader Comrade Kim Chon
in the socialist society, ideological and
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rehabilitated.

In the past, betrayers of socialism an
held sway in ideological and cultural n
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socialism was being built.

Betrayers of socialism and reactionarie
Soviet Union employed cunning metho
ological and cultural means out of the
party's control. One of the methods is "c
ing for "openness," they let papers, m
and television handle materials on some
larities. Then, they exaggerated and bla
irregularities as if they were intrinsic de
cialist society, so that they tarnished the
and brought about the grave consequen
the masses from the party.

Following the stage of "openness," betr
ism called for "free journalism," "free pu
"free movies and plays." As a result, the
of ideological and cultural means va
publications appeared to directly repor
and government meetings, which had b
the curtains previously. Ideological and
became able to do whatever they want
themselves of this situation, betrayers
socialism held sway in ideological and
and began to attack socialism.

Backed by the betrayers of socialism,
"There Is No Way But Reform" was
former Soviet Union in 1988. The bo
by reactionary philosophers, historians,
who had been criticized before. Follo
many publications came out to begin to
der socialism and criticize it as "totalitar
barrack," or "an administrative and com
saying deviations that occur in the co
construction are inevitable in the soci
the same time, malignant posters slan
were hung everywhere.

At the fifth meeting of film functiona
tion" was officially declared, and an er
"Those Who Have Lost Taste for Mone
produced for the first time in Russia in 1
films as "Little Wella," "Arlekino," and

Within the Scope of District" are now running in Russia. In addition to these erotic films, a Russian art film entitled "The Heaven" shows illusory scenes of maneuvers by deformed and disabled people who are "ghosts" coming out of tombs. Novels, poems, and songs also have their own ways. The phrase "My mother and I lived here under the shining sun and the blue sky," which was part of the words of the "Song of Sunrise," have been changed into "I wish I always had vodka, a salted herring, smoked sausage, and tobacco in my pockets and a girl in my trunk."

The betrayers of socialism also allowed the private ownership of ideological and cultural means and let them attack socialism. Those countries where capitalism has been rehabilitated put the private ownership into practice and let rich individuals occupy ideological and cultural means. As a result, ideological and cultural facilities have turned into places where their owners earn money by providing people with entertainment. Many erotic magazines, cartoons, art pieces, cassette tapes, and video tapes are produced and sell well in those countries. Postcards have nude pictures of "queens of night" who assume the most loathsome pose. Seen even on tickets of movie theaters and gymnasiums are words inviting male and female sexual perverts to a certain place at a certain time for a "model performance" on the stage.

Privately owned television and movie theaters run corrupt Western films on a large scale to win popularity and earn a lot of money. For example, a Czech television station runs everyday Western films showing that two protagonists shoot each other's head with guns at the same time, that a person picks out the liver of a corpse and slices it, and that an actor and an actress make love. With increasing voices against this, the Czech Government has recently decided to restrict erotic and violent television programs at the minimum level. However, such unsound programs are reportedly still aired because the state cannot control privately owned television channels such as NOVA . What interests these corporations is nothing but earning money. The adolescents who saw erotic films are living low-down lives, crying that "we must live in the erotic world under current situation" and that "sex is our bread and life." As shown above, ideological and cultural means under the sway of betrayers of socialism and reactionaries are infusing people with the capitalist idea and are turning the society into a hotbed of crime.

Ideological and cultural means beyond the control of the working- class party, which were reduced to antirevolutionary means, have made a great contribution to destroying socialism and rehabilitating capitalism in some countries.

Without the party's guidance and control, revolutionary ideological and cultural means of the working class cannot exist, nor can we think of their militant might. Herein lies the reason why the working-class party's guidance and control of ideological and cultural means is important.

Progress of Education Under WPK Reviewed

SK2709214895 Pyongyang KCNA in English
1507 GMT 27 Sep 95

[""50 Years Under Banner of WPK" (15); Education" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 27 (KCNA) — Socialist education has made rapid progress under the banner of the Workers' Party of Korea [WPK].

Korea started modern civilization with the campaign against illiteracy 50 years ago and has today set an ultimate target of cultural revolution to intellectualize the whole of society.

It is the intention of the great leader President Kim Il-song to train all the members of society into communistic, comprehensively- developed persons with modern cultural and technical knowledge equivalent to a university graduate.

During the period of the Japanese imperialist colonial rule before liberation, education in Korea was backward. There was not a university in Korea, only one or two middle schools in a province.

Nearly half of school-age children did not get school education and adult illiterates numbered over 2,300,000. Especially, young men and women had no opportunity of receipt of higher education.

After the liberation of the country, President Kim Il-song, considerate of this situation, put forward the line on keeping education ahead of all other work and wisely led the work for its realization.

National education has made a rapid development over last 50 years. The universal compulsory primary education was enforced in 1956 when everything was short after the three-year war.

It was followed by the universal compulsory secondary education and the 9-year compulsory technical education, and the universal 11- year compulsory education in 1975. Compulsory higher education is now in preparation.

A quarter of the population are studying at more than 11,000 schools of all levels and hundreds of universities and colleges built in all parts of the country.

Education in Korea is under the system of universal free education. Not only school education of all levels from kindergarten to university but also all forms of social education and adult education are free of charge. State stipends are paid to students at colleges and universities.

A large amount of the state budget is allocated to education.

Educational expenditure increased by 5.7 per cent on an annual average in the 1990s.

Under the chuche-oriented policy of education and popular policy of the Workers' Party of Korea, Korea has produced 1,730,000 intellectuals, or one technician or specialist per every six of the labour people.

'Educationists' Hold Symposium on WPK Founding

SK2809020795 Pyongyang KCNA in English
2204 GMT 27 Sep 95

[FBIS Transcribed Text] Pyongyang, September 27 (KCNA) — A symposium of educationists was held here on Tuesday to mark the 50th anniversary of the Workers' Party of Korea [WPK].

The symposium focused on the wisdom of the leadership of the WPK which has directed great efforts to the educational work, regarding it as one of the fundamental problems decisive of the victory of the revolution and of the future destiny of the nation, and turned the country into a land of learning, a land of education.

Speakers there said the WPK led the educational work so wisely that the policy of making the whole society intellectual advanced by the great leader President Kim Il-song has been implemented with success and a large army of intellectuals, a brilliant achievement in the training of national cadres, has been formed in Korea.

Over the past 50 years the party has steadfastly adhered to the principle of giving priority to political and ideological education. Thus it has turned the educational work into a work of bringing up the younger generation to be reliable successors to the Korean revolution, not a practical work of giving only knowledge and technology to them, they stressed.

They proved with detailed explanations that it is a decisive guarantee for carrying forward to completion the revolutionary cause of chuche through generations to nurture the younger generation through intensified political and ideological education to be the communist revolutionary talent of chuche type intensely loyal to the great leader Comrade Kim Chong-il.

Daily Marks World Maritime Day

SK2809134695 Pyongyang KCNA in English
1026 GMT 28 Sep 95

["World Maritime Day Observed in Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — Pyongyang-based papers today dedicate articles to world maritime day (September 28).

Recalling that the Democratic People's Republic of Korea has striven to solve maritime affairs since it joined the international maritime organisation in April 1986, the author of a MINJU CHOSON article says:

From the first days of its foundation, the DPRK government has made big efforts to ensure safe sea navigation and protect sea environments.

The DPRK is training technicians equipped with knowledges of modern science and technologies and strong physical strength at universities and colleges and other specialized education institutions. The fishermen are also studying advanced technologies under the studying-while-on-the-job system of education. [sentence as received]

Sea environmental protection is ensured by "the Law of the Democratic People's Republic of Korea on Environmental Protection", and broad masses of people are taking part in it. Sea-navigating ships are installed with pollution prevention devices and national measures are taken to prevent pollution in ports and other units concerned.

The DPRK is promoting cooperation and exchange with the international maritime organisation and its member nations to guarantee maritime safety and prevent sea pollution.

Symposium of Agricultural Union Members Held

SK2809144095 Pyongyang KCNA in English
1016 GMT 28 Sep 95

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — A national symposium of officials and members of the Union of Agricultural Working People of Korea was held here on Wednesday to mark the 50th founding anniversary of the Workers' Party of Korea.

Speakers said at the symposium that the great leader Comrade Kim Chong-il, who is carrying forward and accomplishing the great leader President Kim Il-song's chuche cause of the party building, formulated the chuche idea as a firm guiding idea of the WPK and has developed it in depth with his outstanding ideological and theoretical activities.

They said that the union has been built up to be a revolutionary and militant political organisation of the masses and all the officials and members of the union enjoy a true life and happiness as the dignified revolutionaries with valuable political integrity under the wise leadership of the party.

They put stress on actively contributing to accomplishing the revolutionary cause of chuche by carrying through the line on the final solution of the socialist rural question and agriculture-first policy of the party with a firm conviction that they will always win if they are led by Comrade Kim Chong-il.

School Renamed After Hero Who Died for Party

SK2809144395 Pyongyang KCNA in English 1019 GMT 28 Sep 95

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — Sokkyo Senior Middle School in Pyongwon County, South Pyongan Province, situated in central western Korea, was renamed Kil Kwang- sik Senior Middle School.

After graduating from Sokkyo Senior Middle School, Kil Kwang-sik joined the People's Army.

In January 1994, he sacrificed his youthful life to safeguard the party and the leader politically and ideologically and save a large quantity of combat and technical equipment from a danger.

The great leader Comrade Kim Chong-il, supreme commander of the Korean People's Army, in high estimation of the noble sacrificing spirit and heroic exploits of Kil Kwang-sik, saw to it that he was awarded the title of the hero of the republic and his alma mater was named after him.

A ceremony for renaming the alma mater Kil Kwang-sik Senior Middle School was held on September 27.

Symposium of Youth Affair Officials Held

SK2809054495 Pyongyang KCNA in English 0458 GMT 28 Sep 95

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — A symposium of youth affair officials was held in Pyongyang on Wednesday in celebration of the 50th anniversary of the Workers' Party of Korea.

It was stressed at the symposium that the successful settlement of youth affairs by the great leader President Kim Il-song and the great leader Comrade Kim Chong-il is an undying feat they performed in the building of a chuche-based party and the accomplishment of its cause.

The speakers said since the revolutionary cause of the working class is a long-term cause that should be accomplished generation after generation, settlement of youth affairs is a decisive guarantee for successful socialist construction. The Workers' Party of Korea, they noted, has trained the young people to be dependable successors to the revolutionary cause of President Kim Il-song.

They stressed that it is of importance to firmly prepare the youths and children to be rifles and bombs of defending the Workers' Party of Korea with their lives in the van and that all the youths and children should cherish an absolute worship for respected General Kim Chong-il, entrust their destinies wholly on the party and discharge their noble mission and duty for the times and revolution with credit.

Greater efforts should be directed to building the League of Socialist Working Youth of Korea into a dependable political reserve of the party, a reserve combat unit of the Supreme Commander Comrade Kim Chong-il so that it may make great contributions to a noble struggle to defend and add lustre to the imperishable feats and experiences accumulated by President Kim Il-song and Comrade Kim Chong-il in the accomplishment of the cause of building a chuche- based party and steadily strengthen and develop the Workers' Party of Korea into a revolutionary party of chuche type, they added.

Korean Group Aims To Promote Free Trade Zone

MS2709105895 London FINANCIAL TIMES in English 27 Sep 95 p 8

[Report by Peter Montagnon: "North Korean Free Trade Zone: Pipe-Dream or Unlikely Winner?"]

[FBIS Transcribed Text] A favourite pastime among Asian futurologists is picking which will be the region's most dynamic centres of economic growth in the next century. The Tumen river basin — the point at which Russia, China and North Korea meet appears an unlikely winner, yet it crops up regularly in some futurologists' lists.

The combination of Russia's natural resources with North Korea's transit facilities and manufacturing skills and China's large workforce ought to be compelling, but the challenges of developing a region almost totally bereft of modern infrastructure are enormous.

This week North Korea took a cautious step towards meeting that challenge by dispatching its first delegation to the UK to promote Rajin-Sonbong, the free trade zone founded in 1991 as the transit and manufacturing nucleus of the new growth triangle.

Mr Kim Mun Song, the delegation leader, is an unlikely party apparatchik. Secretary general of the Korea committee for promotion of external economic co-operation, he is a dapper and urbane executive with a fluent command of English acquired in Pyongyang. Were it not for the badge portraying North Korea's late leader Kim Il-sung pinned prominently to his jacket he could almost pass for the manager of one of South Korea's /chaebol/ [word in slantlines printed in italics] conglomerates.

He faces an uphill struggle selling the zone, which is located, perhaps deliberately given North Korea's traditional reserve towards foreigners, in a sparsely populated area. Rajin-Sonbong is still waiting for modern telecommunications and has no airport capable of handling fixed-wing aircraft. Thus far the investment flows are modest.

Investment commitments total only $200m, Mr Kim says, with $20m actually spent. Peregrine Securities of Hong Kong and Barings, the Dutch-owned investment bank, have used the new investment rules to set up in Pyongyang but otherwise interest has been patchy. Samsung Electronics wanted to start a telecommunications venture. Mr Kim says the zone welcomes South Korean investors, but Samsung was prevented by its own government from setting up shop.

Rajin-Sonbong is far behind other free trade zones in Asia such as Subic Bay in the Philippines and Indonesia's Batam island with their slick sales pitches. North Korea could fall into the same trap as East European countries in the early days of transition and assume foreign companies will roll up dutifully as if they had been programmed under the latest five-year plan.

In response Mr Kim stresses that the zone's financial terms are among the most attractive in the region with full freedom from import duties and a tax holiday for three years after a venture starts to make money.

The minimum wage of $80 a month is higher than China, he says, but employers in the zone do not have to contribute the same welfare payments and the workforce is more productive. North Korea is enjoying a stable transition from the age of Kim Il-sung to his son Kim Jong-il, he says, "Our country is well organised. There are no riots, no strikes, no differences of opinion."

While Rajin-Sonbong has enough power, rail and port capacity for the time being, it needs foreign investors to help add to facilities in all these areas.

The conundrum is that there is little incentive to put up infrastructure until there are companies there to use it. Until that changes, the new growth triangle will probably remain a pipe- dream. But no one who believes Rajin-Sonbong will eventually be given a push from the unification of the two Koreas can afford to ignore it completely.

Report on Manufacture of Screw Compressor

SK2809054995 Pyongyang KCNA in English
0442 GMT 28 Sep 95

[FBIS Transcribed Text] Pyongyang, September 28 (KCNA) — The Yongsong Associated Machinery Bureau, the nation's leading producer of ordered equipment, has manufactured 100-cubic-metre screw compressor on the threshold of the 50th anniversary of the Workers' Party of Korea [WPK].

The compressor is a half in weight and a third in covering area than the piston compressor available at coalieries and mines. It operates smoothly with a small abrasion and a little use of lubricating oil.

The Yongsong Associated Machinery Bureau manufactured a 10,000- ton press in October 1985 to mark the 40th anniversary of the WPK.

Workers of Thermal Power Plant Increase Output

SK2909042495 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 28 Sep 95

[FBIS Translated Text] According to a report sent by station reporter Choe Chang-hwa, the party members and electric power producers of the 16 June Thermal Power Plant are vigorously waging a struggle to normalize the production of electric power at a high level.

The functionaries, workers, and technicians of the power plant are attaining high success in increasing the production of electric power these days by 30 percent over the same period of last year by joining their creative wisdom and efforts and actively introducing the advanced technology of the turbine and boiler.

In recent days alone, the power plant actively introduced a new technological innovation plan for improving the combustion efficiency of the turbine and boiler, and attained success in increasing the production of electric power considerably.

South Korea

Seoul, Washington End Automobile Trade Talks

SK2909021795 Seoul YONHAP in English
0149 GMT 29 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — South Korea and the United States signed an automobile trade agreement in Washington Thursday afternoon, concluding the marathon talks that started in the U.S. capital Tuesday last week.

With the agreement, the U.S. trade representative will not designate South Korea "a priority foreign country practice" market subject to Super 301 section trade sanctions, averting the worst automotive trade conflict between the two countries to date, the foreign minister said Friday morning.

Under the agreement, South Korea will continue to retain its seven-step progressive automobile tax system based on engine displacement but will lower taxes on imported cars by 24.4 percent from 410 won to 310 won per cubic centimeter (cc) on cars with engine displacements of 2,500cc to 3,000cc and by 41.6 percent from 630 won to 370 won per cc on autos with 3,000cc engines or larger.

The U.S. Government was pressuring Korea to institute a flat tax of 250 won per cc on all imported cars with engine displacements of 2,500cc and above.

Korea will maintain the existing 8-percent tariff rate for imported cars but will lower the special excise tax by 20 percent for foreign imports with an engine displacement of more than 2,000cc next year.

Korea will also lift its ban on foreign equity investments in auto finance companies in 1997 and it plans to discuss other matters related to car sales financing at the Korea-U.S. financial policy meeting slated for next month.

As for safety requirements on imported cars, Korea will push ahead with its plan to improve the technical standards of headlights to the European Union level, as announced in early September, while it will ease the requirements for submitting performance test results.

In addition, tests for type certification will be conducted on one car per every 500-unit lot until 1997 and in one per every 1,000-unit lot thereafter.

Korea also agreed to accept noise test results from U.S. Government-recognized agencies on auto imports until it adopts the international standards organization's test method.

Korea will also revise television advertising practices to enable foreign car makers to run commercials during prime-time television hours next month.

The two governments also agreed to form and operate a monitoring body to oversee the implementation of the agreement until June next year.

U.S. 'Expected To Gain Little' From Talks

SK2909035695 Seoul THE KOREA TIMES in English 29 Sep 95 p 8

[Report by staff reporter No Chun-hun]

[FBIS Transcribed Text] The Korea-U.S. automobile talks were just another instance of Seoul succumbing to pressure from Washington for greater market opening but American carmakers are expected to gain little from the results.

In preventing Washington from launching a Super 301 investment, which could have led to sanctions, Korea gave in to demands against which it had ardently stood firm to even as the talks began last Tuesday.

With the U.S.-imposed deadline delayed by one day to yesterday, the Korean negotiation team to Washington saw no alternative but to accept the terms put forth by the U.S. Trade Representative [USTR] office.

Earlier, Korea had retreated from its position of not reducing taxes further by agreeing to lower provincial taxes for cars with engine capacities of 2,500cc or larger to more reasonable levels.

Pushed by the American Automobile manufacturers Association (AAMA), however, the USTR insisted that Korea promise to restructure the complex auto tax system to allow for more comprehensive and uniform taxes.

By Korean measures, its concessions, including the reduction in the special excise tax on cars with engines larger than 2,000cc by 5 percentage points, cuts the costs of buying and driving an imported car in the first year by 15 percent.

The USTR, for its part, had demanded that the accumulative provincial tax be replaced with a uniform levy for all engines, thus offering an incentive to buy an American car which tend to be more powerful.

Even senior officials at the Ministry of Trade, Industry and Energy [MOTIE] said Korea could have taken a tougher position since it was prepared to go to the World Trade Organization (WTO) to begin with.

"The basic logic of the U.S. demands, including the notion that Korea must import more American cars since Korea is selling huge quantities in the United States, could have been questioned but political considerations had to take precedence," said Deputy MOTIE Minister Chang Sok-hwan.

For instance, he noted, the trade deficit with the U.S., tallied at 4.8 billion dollars as of the end of last month, included the imbalance in the trade of automobiles, thus making the U.S. argument feeble.

The irony of the situation, Korea industry observers said, is that the changes in the tax structure resulting from the negotiations, will have only a minimal effect on the import of American cars here.

Initial calculations showed that the Mercury Sable, the most popular import, will sell for 30.45 million won next year when the tax cuts go into effect, down just 1,147,000 won, as opposed to a Hyundai Grandeur in the same class which will be priced at 30.55 million won, down from the current 32.1 million won.

"Basically, there is a problem with marketing large passenger vehicles here and the reduction in the provincial tax, even if it were to be adjusted in accordance with American demands, will have little effect," one expert said.

What is needed is for American automakers to realign their marketing plan and introduce vehicles which are more attractive to local consumers, such as smaller compacts, he elaborated.

Another alternative would be to operate their own distribution offices along with after sales services to cut down on the mark-up margin which currently stands at over 7 million won for a Mercury Sable.

Korean automakers, on the other hand, contend that the reduction in the provincial tax on larger cars will only make it more attractive to purchase them at a time when energy conservation is desperately needed.

"The adjustment of the existing tax structure, applied equally to both domestic and foreign cars, will transform the market into a large-engine oriented market," one official of Hyundai Motor complained.

However, the general consensus is that the sale of imports here will remain relatively small at around 0.3-0.4 percent of the total demand for some 1.2 million cars per year.

"For Korea to market more actively in foreign markets, the demand for imports needs to increase. This is basically a task for automakers, not for the government," said one senior MOTIE official.

At the same time, he said, the Korean government needs to inform the public about the actual situation, such as the fact that import taxes are now just 8 percent, something that is often misconstrued.

KEDO Sends Second Oil Shipment to DPRK

SK2909104795 Seoul YONHAP in English
1036 GMT 29 Sep 95

[FBIS Transcribed Text] Ulsan, Sept. 29 (YONHAP) — An oil tanker laden with the second shipment of oil for North Korea from the Korean Peninsula Energy Development Organization (KEDO) left here for the Sonbong Harbor Friday afternoon.

The tanker, "Da Jing 94," of Chinese registry was carrying 22,400 tons of bunker-c oil furnished by a supply contractor, a Dutch oil trader. The ship is expected to reach Sonbong around 8 pm Saturday.

Saying that the second shipment totals 30,000 tons, an official of the Dutch trader said the remaining 7,600 tons couldn't be loaded into the tanker because the water of the Sonbong harbor was shallow.

"We will ship the remainder from Yukong's Ulsan plant at the shortest possible date," he added.

Kim Chong-il 'Not To Attend' UN Summit

SK2909130295 Seoul YONHAP in English
0052 GMT 29 Sep 95

[FBIS Transcribed Text] New York, Sept. 28 (YONHAP) — North Korea's de facto leader Kim Chong-il will not attend the United Nations special summit conference scheduled to open Oct. 22 in commemoration of the world body's 50th anniversary, North Korean officials here said Thursday.

Pyongyang has not yet determined who will attend the summit meeting, but it is certain that Kim Chong-il will not come to the United Nations, an official at the North Korean Mission to the world body said.

Explaining the reason for Kim's decision not to attend, the official said, "The United Nations does not help solve the problems on the Korean peninsula. Those countries which have no power or money are not fairly treated in the United Nations."

He added Vice Foreign Minister Choe Su-hon will deliver a keynote speech to the UN General Assembly representing the communist country.

Foreign Minister Views Human Rights in North

SK2909025295 Seoul YONHAP in English
0224 GMT 29 Sep 95

[FBIS Transcribed Text] New York, Sept. 28 (YONHAP) — South Korea Thursday expressed deep concern over the human rights situation in North Korea, urging Pyongyang to heed the international calls to protect human rights by opening its society.

Delivering a keynote speech to the 50th General Assembly of the United Nations, Foreign Minister Kong Nomyong said, "An outstanding and emotional dimension of this issue is the division of families on the Korean peninsula."

Kong said that 10 million people were separated from their families during the Korean war in 1950-1953 and that most have never heard from relatives again, as even the exchange of letters has been prohibited.

"Even after the war, hundreds of South Koreans were forcibly taken to North Korea against their will, leaving behind their families grieving from separation and anguished by the uncertainty of whether the other members were still alive," Kong said.

Kong stressed, "I believe that it is high time for the community of nations, particularly the United Nations, to render their assistance and do their part for these divided families to at least hear from each other until they are finally reunited."

Turning to the North Korean nuclear issue, which Kong insisted still remains a paramount security concern for Northeast Asia and the world, the South Korean foreign minister urged North Korea not only to comply with its Nuclear Nonproliferation Treaty (NPT) obligations and the International Atomic Energy Agency (IAEA) safeguards, but also to faithfully implement the Geneva agreed framework.

"Furthermore, North Korea should live up to its commitments and obligations under the joint declaration for the denuclearization of the Korean peninsula," Kong said.

Kong maintained that the current Armistice Agreement must be maintained on the Korean peninsula until a permanent peace mechanism is established.

"With a view to dealing with all inter-Korean issues, my government earnestly hopes that the North Korean leadership will respond positively to our call for inter-Korean dialogue and cooperation," Kong said.

On the issue of disarmament, Kong declared a one-year moratorium, which may be extended, on the export of anti-personnel land-mines. "We hope that our decision will strengthen the international efforts to limit the proliferation of land-mines and to end their indiscriminate use."

He also pointed out that South Korea has been taking steps to ratify the Chemical Weapons Convention (CWC), which the country signed in 1993, to support international efforts to prohibit and eliminate the production and use of all chemical weapons and weapons of mass destruction.

"As we all recognize, universal adherence to the CWC is an essential step toward securing an effective non-proliferation regime in this area," Kong said. "The Republic of Korea, therefore, strongly urges those countries, including the Democratic People's Republic of Korea (DPRK), which have not yet joined the convention, to do so as early as possible."

Expressing deep regret over the recent nuclear tests conducted by France and China, Kong said that South Korea has joined forces with many countries seeking an early conclusion to the Comprehensive Test Ban Treaty (CTBT) which will lead to the eventual elimination of nuclear weapons as envisaged by the NPT.

Kong also reaffirmed the South Korean Government's decision to take part in the United Nations stand-by system and its willingness to provide some 800 men for this effort, including an infantry battalion, engineering units, medical units and military observers.

In an effort to enhance South Korea's participation in a variety of UN activities to coincide with the country's joining of the United Nations Security Council as a non-permanent member, Kong revealed that South Korea would enlarge its voluntary contribution to the operational activities of the United Nations by 65 percent next year and its plans to continue such efforts in the future.

As for the proposed reform of the United Nations Security Council, Kong said, "We are of the view that its reform should, first and foremost, take into account the need for equitable geographical representation in its membership and enhanced transparency and efficiency in its working methods."

Noting that the total amount of unpaid contributions to the United Nations is well over 3.5 billion U.S. dollars, Kong urged all member countries to pay their assessed contributions on time and in full so the United Nations could meet its increasing demands and strengthen its organization.

South, North Exchange Rebuttals on Human Rights

SK2909032395 Seoul YONHAP in English
0237 GMT 29 Sep 95

[FBIS Transcribed Text] New York, Sept. 28 (YONHAP) — South and North Korea exchanged rebuttals over the issue of human rights at the United Nations General Assembly Thursday, following South Korean Foreign Minister Kong No-myong's keynote address in which he discussed the human rights situation in North Korea.

Councilor Kim Chang-kuk from the North Korean mission to the United Nations, exercising his country's first right of reply, claimed, "Minister Kong's address is ignorant of the realities on the Korean peninsula and misleads the international community," adding, "We reject the South's allegations about our human rights.

"It is South Korea's National Security Law and concrete walls that block the reunion of separated families...our country is a paradise of human rights."

As examples of human rights abuses in the South, Kim cited that South Korea has convicts serving the longest prison terms in the world and that the South has arrested the aged Mrs. Pak Yong-kil who attended the first anniversary memorial services for the late North

Korean President Kim Il-song. Pak visited Pyongyang in July without first obtaining permission from the South Korean authorities.

Referring to the North Korean nuclear issue, Kim maintained, "The nuclear issue has arisen because of the United States," and added, "South Korea is also committing the crime of demanding a U.S. nuclear umbrella."

Countering the North's "distortion of the facts and false assertions," Councilor Yi Kyu-hyang from the South Korea mission to the United Nations noted that the recent international human rights committee report has revealed the detention of political prisoners and the existence of concentration camps in North Korea, and that North Korea abducted over 450 leading South Korean citizens during the 1950-53 Korean war.

Yi flatly rejected the North's allegations regarding South Korea's National Security law, saying, "It is widely known that democratization is blossoming in the South."

"If human rights are respected in North Korea as the North Koreans assert, we urge the North to open it to the outside world promptly," Yi demanded.

A second round of rebuttals took place between the North's Kim and the South's Yi.

Commenting on the exchange of refutations between the two Koreas, a South Korean diplomatic source here said, "It was fully anticipated, for which we have made thorough preparations. How unconvincing North Korean assertions are will again be acknowledged through today's confrontation."

General Warns of 'Serious Military Threat'

SK2909065595 Seoul YONHAP in English 0640 GMT 29 Sep 95

[FBIS Transcribed Text] Kyeryongdae, South Chungchong Province, Sept. 29 (YONHAP) — North Korea poses a serious military threat to South Korea as the communist nation has over 600 missiles aimed at South Korean targets, Air Force Chief of Staff Gen. Kim Hong-nae warned Friday.

Testifying before the National Assembly Defense Committee inspecting the Defense Ministry, Gen. Kim said, "At present North Korea has over 600 Frog and Scud missiles aimed at South Korean targets, the former capable of reaching as far South as Anyang and the latter anywhere in the South...should they fire the missiles loaded with nuclear or chemical warheads, they would pose a serious military threat to South Korea."

Noting that the Air Force is developing measures to minimize such a threat, the Air Force chief of Staff said their plans include first hitting tactical ballistic missile bases, command posts and communications facilities.

"Under the combined South Korea-U.S. counterattack strategy, three satellites are monitoring all of North Korea," Gen. Kim said. "Automatic warning systems have been set up under which enemy missiles would be detected as soon as they are fired and regular training in this field is conducted once a month."

The Air Force is promoting with the Defense Ministry and the joint chiefs of Staff an early introduction of a next-generation surface-to-air missile system with a view to elevating its own early counterattack capabilities, Kim disclosed.

"Despite its serious economic difficulties, the North has recently increased An-2 reconnaissance flights, special airborne unit exercises, installed more surface-to-air missile bases, secured chemical weapons, deployed more long-range artillery units targeting Seoul on the front, and it has mobilized 41 percent of its fighters to the front," Gen. Kim reported to the Defense Committee.

"With the elements of military threat thus hiked, there is a definite possibility that the North could provoke South Korea if they are in a crisis or make a misjudgement."

Official Sees Long Delay in Power Succession

SK2809105595 Seoul KBS-1 Radio Network in Korean 1015 GMT 28 Sep 95

[FBIS Translated Text] A high-level government official has said: In order to elect Kim Chong-il president or general secretary of the Workers Party of North Korea, a Supreme People's Assembly meeting or party convention must be held. However, there have been no such moves in North Korea up to the present, with some 10 days remaining before the anniversary of the party's founding.

The official also said: In light of the fact that Kim Chong-il has recently made more than 20 inspections, including the inspection of an army unit on the front line, he is very healthy.

The official also made the following prediction: It seems that Kim Chong-il will postpone his power succession for a considerable period of time, until his authority is strengthened as great as Kim Il-song's was.

Official: Aid Requests Must Be Made by North

SK2809115195 Seoul YONHAP in English 1145 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — A senior government official said Thursday that if and when North Korea asks the South for assistance like flood relief aid, they should make it clear that it is the Pyongyang authorities that make the request.

The method employed during the past rice negotiations can no longer hold, the official said.

He noted that in the rice talks, Chon Kum-chol made the request under the authority "delegated to him by the North's External Economy Commission."

The official stressed that North Korea should clearly realize that if the people do not concur, the government cannot and will not move.

"Due to the latest posture of North Korea, it is true that our people are less eager to see rice or other assistance furnished to North Korea," he said.

He accented that the North Korean authorities' request for assistance will be an important prerequisite to any aid to North Korea.

North Official Sent to UK To Attract Investment

SK2809144195 Seoul KBS-1 Television Network in Korean 1234 GMT 28 Sep 95

[FBIS Translated Text] North Korea is now engaged in very aggressive activities abroad to induce foreign investments in the Najin-Sonbong area. The North Korean authorities have dispatched an overseas investment marketing team to Britain. Hong Song-kyu, KBS correspondent stationed in London, met with Kim Mun-song, secretary of the North Korean Committee for the Promotion of External Economic Cooperation, who has been dispatched to Britain to attract British investment in the Najin-Sonbong area.

[Begin recording] [Hong Song-kyu] Secretary Kim Mun-song, head of a North Korean overseas investment marketing team, said that British companies will participate in the construction of indirect social capital in the Najin-Sonbong free trade zone. Secretary Kim arrived in London on 24 September and has had contacts mainly with British financial and construction companies. In an interview with KBS, he said British companies expressed great interest in investing in the Najin-Sonbong area, but said he could not disclose details because the British companies asked him to observe secrecy.

[Kim Mun-song] Three British companies expressed their willingness to participate in development of the Najin-Sonbong area. They will make a total investment of approximately $27 to $28 million.

[Hong Song-kyu] Secretary Kim continued, saying: North Korea has made contracts with foreign companies totalling $200 million in investments since the Geneva agreement on the nuclear issue was concluded in 1994. However, only $20 million has actually been invested in the area up to the present.

Secretary Kim also said North Korea had suffered great damage from the recent flood and that restoration work is being carried out throughout the country.

[Kim Mun-song] The flood damage is estimated at approximately $15 billion.

[Hong Song-kyu] Secretary Kim said he had no official contact with the British Government during his visit to Britain. [end recording]

Talks With North 'Have Encountered Difficulties'

SK2809101495 Seoul KBS-1 Radio Network in Korean 0903 GMT 28 Sep 95

[By correspondent Yi Tong-sik from Beijing]

[FBIS Translated Text] Difficulties are being felt in the third round of South and North Korean authorities' talks on the rice issue and the repatriation of the detained crewmen of the ROK ship Usong-ho.

The South and North Korean delegations headed respectively by Yi Sok-chae, vice finance and economy minister, and Chon Kum-chol, an adviser to the North Korean Committee for the Promotion of External Economic Cooperation, held their second day of meetings at the China World Hotel, our side's lodging, this morning, but have not yet reached an agreement.

After the morning session of today's meeting, an official of our side said: The talks have encountered difficulties. The sides discussed not only the rice issue and the repatriation of the Usong- ho crewmen, but also other issues today. However, they only expressed their own positions and failed to achieve a compromise.

However, the sides resumed the afternoon session at 1700 [0800 GMT] today; this indicates that they have begun full-fledged discussions.

North To Rebut Foreign Minister's Address

SK2909130395 Seoul YONHAP in English 0043 GMT 29 Sep 95

[FBIS Transcribed Text] New York, Sept. 28 (YONHAP) — North Korea on Thursday formally appealed to the United Nations Secretariat for an opportunity to refute South Korean Foreign Minister Kong No-myong's address to the U.N.'s General Assembly, in which he discussed the human rights situation in North Korea, immediately after Kong delivered the speech.

In the rebuttal, North Korea is expected to bitterly criticize Kong's address and particularly take issue with the human rights situation in the South involving the National Security Law, resuming a sharp point of contention between the two Koreas at the assembly.

The inter-Korean confrontation at the world body will be the first of its kind since both countries were simultaneously admitted to the United Nations in 1991. This may considerably affect inter- Korean relations including the ongoing South-North talks in Beijing.

Foreign Ministry Spokesman So Tae-won said, "North Korea applied for the right to reply to Foreign Minister Kong's address. Depending on the contents of the North's refutation, we will properly counter their rebuttal, exercising our right to re-reply."

Rebuttals, provided for by Article 73 of the proceeding regulations of the UN Secretariat, are a means of raising objection to remarks made by another member state. It is limited to 10 minutes on the first occasion and to five minutes on the second. A nation against which a rebuttal is exercised may apply for and exercise the same right.

North Korea is expected to refute Kong's address sometime after 6 PM Thursday when all keynote speeches scheduled for the day have been delivered.

Many are anticipating that North Korea will take issue with South Korea's National Security Law and refute Kong's remarks regarding the North Korean nuclear issue and international disarmament, including chemical weapons, or that it may state its position on those issues.

At the current UN General Assembly, Iraq and the United States have exercised their rights to rebut with regard to the issue of developing weapons of mass destruction and chemical weapons, while France has also done so against denouncements by several member countries criticizing it for resuming nuclear testing.

Editorial Views Inter-Korean Talks in Beijing

SK2909024795 Seoul CHOSON ILBO in Korean 28 Sep 95 p 3

[Editorial: "In Beijing Talks, the Delegates Should Resist the Temptation To Commit 'Fame-Loving Act'"]

[FBIS Translated Text] The attitude of our side appear to be fairly resolute about going to the third round of Beijing talks between the officials of the authorities of the North and the South. According to a report, our side is determined to first take issue with the repatriation of the Usong boat, Reverend An Sung-un's abduction, the North's vilification of the South, and North Korean Workers Party Secretary Kim Yong-sun's remark likening the ROK to a broom. This is not the usual attitude we have witnessed from our government so far. However, this attitude can also be vulnerable. If the other side makes a slight gesture toward a compromise, our side could place enormous significance on it and dash towards committing a "fame-loving act" — an act of doing something to appease the public with what appears to be something significant. For several days, the North has made gestures attempting to clarify the Usong boat issue and to urge the South businessmen to visit the Najin-Sonbong area, giving an impression that the gestures are being used as a decoy to the South. In this atmosphere, if the North's delegate Chon Kum- chol makes a remark hinting that the North looks forward to receiving aid for flood damages, our side could hastily accept it as an "official request" without questioning the capacity in which he is speaking.

Even if the North takes a different approach, our side should prudently examine whether it represents a change in strategy or a simple exercise of a tactic, and find out whether the North really wants actual progress in North-South relations. The North has made some progress in its attempt to improve relations with the United States. The United States and the North are now in Pyongyang discussing the mutual establishment of their liaison offices, and as a prior measure, they have agreed on consular protection rights. The North is expected to hold talks with Japan on 30 September to discuss additional rice aid and improvement of relations. Our side should find out whether the North's dubious gestures at the third round of Beijing talks are part of its strategy toward the United States and Japan.

Even if the North does not wish to conduct dialogue with us but intends to use the Beijing talks for their diplomatic overtures to the United States and Japan, we need not assume a fretful approach. Rather than clinging to immediate pending issues, we should work toward the fundamental improvement of North-South relations. Neither the United States nor Japan has any spectacular measures in its policy toward the North. Neither of them has any interest in alienating the North from us. We ought to be confident that we can make the U.S.-North Korean and the U.S.-Japanese [as published] approaches secondary to the inter-Korean approaches conducted under our initiative.

Envoy to China on Opposition to U.S. Treaty

SK2809110595 Seoul YONHAP in English 0858 GMT 28 Sep 95

[FBIS Transcribed Text] Beijing, Sept. 28 (YONHAP) — China opposes North Korea signing a peace treaty with the United States without the participation of South Korea, South Korean Ambassador to China Hwang Pyong-tae said Thursday.

Hwang made the remarks while reporting to members of the National Assembly Foreign Affairs and National Unification Committee who visited the Chinese capital for an annual parliamentary inspection of the embassy here.

China also supports peace, security and the denuclearization of the Korean Peninsula, Hwang said.

Rep. Son Se-il, of the largest opposition National Congress for New Politics (NCNP), asked Ambassador Hwang whether Foreign Minister Kong No-myong had a prior consultation with his embassy when he recently told reporters in New York that China did not want to see the United States and North Korea sign a peace accord.

Rep. Son also asked if China issued an official statement on the issue.

Ambassador Hwang responded, "I do not know whether Foreign Minister Kong had prior consultations with Chinese Foreign Minister Qian Qichen on the issue and I have never received any official statement from China on the matter."

Relations between China and North Korea have been improving recently, coupled with signs of better relations between North Korea and the United States and aggravated relations between China and the United States, Hwang explained.

Hwang also suggested that South Korea will have to consider shifting to multilateral diplomacy.

KFB, Chinese Bank To Set Up Joint Venture

SK2809071895 Seoul THE KOREA HERALD in English 28 Sep 95 p 8

[FBIS Transcribed Text] Korea First Bank [KFB] signed an agreement with the Industrial & Commercial Bank of China to establish a joint-venture bank in a ceremony held in Beijing Tuesday.

The first Korea-China joint-venture bank, named "Qingdao International Bank," will be based in the Chinese city of Qingdao and will be operational starting next January.

The 50-50 joint bank between the largest commercial banks each in Korea and China in terms of total assets will be capitalized at $20 million, a KFB spokesman said.

"The establishment of a joint-venture firm with China's largest firm is part of our bank's global strategy to deepen and widen our banking business alliances with top-rating banks in emerging markets," Yi Chol-su, chairman and president of KFB, was quoted as saying at the ceremony.

Representing the Chinese side, Zhang Xiao, president of the Industrial & Commercial Bank of China, attended the signing ceremony.

The Chinese bank is the largest banking organization in China and ranked 23rd in the world last year in terms of tier-1 capital amounting to $10.38 billion. It ranked 16th in the world with total assets of $311.84 billion at the end of 1994.

For KFB, which had a world ranking of 118 with tier-1 capital of $2.74 billion last year and is the largest commercial bank in Korea, the project is its second joint-venture bank.

KFB became the nation's first commercial bank to set up an overseas joint-venture bank in February 1993 by teaming up with the Bank for Foreign Trade of Vietnam.

The joint-venture bank, named "First Vina Bank," is headquartered in Ho Chi Minh City.

For Vietnam, the joint venture with KFB was the third joint-venture bank with a foreign country after one each with Indonesia and Malaysia.

Israel-PLO Pact on Palestinian Self-Rule Viewed

SK2909023295 Seoul YONHAP in English 0152 GMT 29 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — The South Korean Government Friday welcomed the agreement reached between Israel and the Palestinian Liberation Organization (PLO) on the extension of Palestinian autonomy, observing that the pact will provide the historic momentum needed to attain lasting peace in the Middle East.

Commenting on the agreement reached in Washington Thursday which extends Palestinian self-rule to the West Bank, a Foreign Ministry spokesman said that Seoul highly appreciates the strenuous efforts made by the representatives of Israel and the PLO.

"We hope the agreement will be faithfully implemented and the legitimate rights of the Palestinian people, including the right of self-determination, will be respected," the spokesman said.

He also added that the South Korean Government believes the international efforts supporting the peace process in the Middle East are of great value and that South Korea will actively take part in those efforts to consolidate peace in the region.

Memorandum of Understanding Signed With Argentina

SK2909061695 Seoul YONHAP in English 0547 GMT 29 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — South Korea and Argentina Friday signed a memorandum of understanding (MOU) on the establishment of a senior officials policy consultation council, a Foreign Ministry spokesman said.

The MOU was signed at the end of a meeting between Vice Foreign Minister Yi Si-yong and acting Foreign Minister Andres Cisneros of Argentina at the Foreign Ministry, the spokesman said.

Deputy Foreign Minister for Political Affairs Yi Chae-chun meanwhile met with Secretary of State for International Economic Relations Jorge Campbell to discuss expanding bilateral trade and investment before initialing a nuclear cooperation agreement between the two countries, the spokesman said.

The talks between Yi and Campbell addressed ways to reduce Argentina's trade deficit with South Korea which now totals 1 billion U.S. dollars, the spokesman said.

Campbell demanded that South Korea lift the import ban of Argentine beef while Yi responded that South Korea will soon dispatch an inspection team to Argentina to determine whether the beef is free of diseases which recently swept the South American country.

The two sides also discussed the possibility of signing agreements on investment guarantees, science and technology exchanges and other pacts on fisheries, aviation and avoidance of double taxation.

The Argentine officials accompanied Argentine President Carlos Menem who arrived in Seoul Friday for a four-day state visit here.

Russian Premier on U.S. Military Role

SK2809122095 Seoul YONHAP in English 1209 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — Visiting Russian Prime Minister Viktor Chernomyrdin said Thursday he understands North Korea does not oppose the idea of building a gas pipeline linking Russia and South Korea by way of the North.

In a press conference at the Hotel Lotte, the Russian premier said, however, that since the project is so vast in scale, Russia will carefully study the feasibility of several options and will choose the most advantageous one.

Prime Minister Chernomyrdin also said the projected repeal of the Russia-North Korea friendship and mutual assistance treaty is likely to have some effect on South Korea-U.S. relations because conditions on the Korean Peninsula are inter-related.

"But, the issue of U.S. military presence in Korea is a question to be decided on between South Korea and the United States," he said.

Chernomyrdin said his country had raised the issue of re- operating those plants built in North Korea with Russian assistance but now remain closed.

"We believe they can be re-opend if Russia and South and North Korea cooperate," he said. "But, this is a matter that depends on North Korea's decision."

SRV Civil Servants To Receive Training

SK2809003395 Seoul YONHAP in English 0007 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — Some 1,000 Vietnamese civil servants are expected to undergo two-to-three months of training in South Korea.

Assistant Trade, Industry and Energy Minister Chong Hae-chu said Wednesday that a formula for training some 1,000 Vietnamese public servants for the purpose of helping Vietnam understand the process of South Korea's economic development is currently under study.

The plan is being promoted to establish a close relationship with Vietnam, which is one of the most influential countries in the Indochinese region.

Details of the proposed training program and the date for its launch are being discussed by relevant administrative agencies, Chong said, adding that the duration of training will likely be two- to-three months and the training sites under consideration will include the Korean federation of small businesses.

Another Trade, Industry and Energy Ministry official noted that previous training courses on South Korea's economic development policy and industrialization process which the Korea Development Institute and the Federation of Korean Industries have conducted for civil servants from other developing countries have been successful.

Meanwhile, Assistant Minister Chong, while visiting Vietnam from Sept. 13-19, discussed the proposed training of Vietnamese civil servants in South Korea with senior Vietnamese Government officials including Communist Party General-Secretary Do Muoi, the official said.

Nation Asks Kuwait To Join Fuel Supply Project

SK2809050195 Seoul THE KOREA HERALD in English 28 Sep 95 pp 1, 10

[Report by KOREA HERALD correspondent Kim Kyong-ho]

[FBIS Transcribed Text] NEW YORK—South Korea's Foreign Minister, Kong No-myong, asked Kuwait Tuesday to join an international consortium in providing fuel oil to North Korea.

Kong said Kuwait could join other oil-rich member states of the Gulf Cooperation Council (GCC) participating in Korean Peninsula Energy Development Organization (KEDO), a multinational consortium set up to finance the provision of light-water reactors and heavy fuel oil to North Korea.

Kong called for Kuwaiti participation when he met his Kuwaiti counterpart, Shaikh Sabah, at the U.N. General Assembly session here.

The Kuwaiti minister was quoted as saying Kuwait needs to consult with other GCC members on the oil provision but will consider it.

The two ministers also discussed expanding resources cooperation between South Korea and Kuwait, which was South Korea's seventh largest oil supplier last year, said Foreign Ministry spokesman So Tae-won.

Kong met with executive director Stephen Bosworth and other top officials of KEDO earlier in the day and agreed with them to invite the maximum number of states to join the consortium.

Eight countries, including South Korea, the United States and Japan, have contributed about $15 million to the consortium.

Kong also asked the KEDO executives to maintain close cooperation with South Korea in dealing with North Korea on the reactor project, So said.

Working-level officials from the consortium and North Korea are set to meet in New York Saturday, before the second round of high- level talks on the reactor supply contract, which open in New York on Oct. 16.

A KEDO official said the consortium's three executive board members from South Korea, the United States and Japan are scheduled to meet in New York Oct. 14 to coordinate their position on the supply contract-talks with the North.

Kong, entering the fourth day of his 12-day stay here, also met with his counterparts from Honduras, Mexico, Egypt and Italy.

Kong and the Honduran Foreign Minister, Delmer Urbizo Panting, agreed to set up an economic consultative body between South Korea and Central American nations in a joint effort to expand trade with other countries in the Western Hemisphere.

Kong's meetings with the foreign ministers of Mexico and Italy focused on the reorganization of the U.N. Security Council, So, the ministry spokesman, said.

Kong also discussed with his Mexican counterpart, Jose Angel Gurria, President Ernesto Zedillo's Seoul visit, scheduled for early next year. They also agreed to conclude agreements on investment protection and visa exemption at an early date.

During talks with the Italian Foreign Minister, Susanna Agnelli, Kong asked for Italy's support for South Korea's efforts to host the 2002 World Cup finals.

The two ministers also discussed Italian Prime Minister Lamberto Dini's visit to Seoul set for late October.

The trip will mark the first visit to South Korea by an Italian prime minister since Seoul and Rome established formal ties in 1956.

When he met with his Egyptian counterpart, Amre Mahmoud Moussa, Kong invited Egyptian President Husni Mubarak to visit Seoul next year. South Korea and Egypt elevated their relationship to the ambassadorial level last May.

Kong attended a reception held by the Japanese Foreign Minister, Yohei Kono, Tuesday evening and a breakfast meeting hosted by U.S. Secretary of State Warren Christopher for foreign ministers from Asia-Pacific nations Wednesday.

Assembly Names Delegation for IPU Meeting

SK2809033395 Seoul YONHAP in English 0154 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — The National Assembly on Thursday named six lawmakers to the delegation it will send to the International Parliamentary Union's (IPU) 94th General Assembly opening Oct. 9 in Bucharest, Rumania.

Headed by Rep. Pak Chong-su of the ruling Democratic Liberal Party (DLP), the delegation will be comprised of Rep. Kim Sang-hyon of the opposition National Congress for New Politics, DLP lawmakers Kum Chin-ho, Chong Yong-hun and Chong Ok-sun and Rep. Hwang Ui-song of the opposition Democratic Party.

Meanwhile, National Assembly Secretary-General Yi Chong-yul will also join the delegates in Romania to participate in a separate meeting of secretaries-general there.

Students To Stage Sit-Ins at DLP Office

SK2909035495 Seoul YONHAP in English
0240 GMT 29 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — A national organization of student activists warned Friday that they were preparing to stage sit-ins at the ruling Democratic Liberal Party building and other public facilities if the parliament failed to pass a special law concerning the bloody suppression of the May 18, 1980, Kwangju democratization movement during its current session.

The Federation of Korean University Student Councils, "Hanchongnyon," said in a statement that it would also kick off a mid-term test boycott or a long-term class boycott in a move to depose the Kim Yong-sam government.

Should the government and the ruling party refuse to enact a special law which would allow for the prosecution of former Presidents Chon Tu-hwan and No Tae-u for their roles in the armed suppression of the Kwangju movement, it would launch an anti-Kim Yong-sam government campaign as well as an anti-Democratic Liberal Party movement in next year's general elections.

The struggle to bring the murderers to justice will continue and student demonstrations will become violent, the students warned.

Prosecution To Seek Arrest for Pak Un-tae

SK2909035295 Seoul YONHAP in English
0109 GMT 29 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — The prosecution questioned Rep. Pak Un-tae of the main opposition National Congress for New Politics (NCNP) about his alleged involvement in several blackmail cases Thursday and has decided it will seek an arrest warrant for the lawmaker.

The prosecution plans to complete its investigation into his the alleged blackmail charges, judging that it will have no difficulty proving his guilt although the Rep. still maintains his innocence.

According to the prosecution, Pak allegedly extorted 185 million won from three businesses in October last year and May this year and blackmailed the Commercial Bank of Korea into writing off a debt of 2 billion won in September 1993.

However, the lawmaker denied the ch
prosecution's interrogation Thursday ar
around 11 P.M.

One prosecutor said, "we have already
evidence to arrest him. We won't ha
taking legal action against him."

The official said the prosecution will
the parliament consents to his arrest, as
it must first obtain the National Asse
to arrest a lawmaker since the gene
currently in session.

The plenary session of the National As
decide whether to allow the arrest of
held around Oct. 16.

Researchers Develop Advance Switc

SK2909042195 Seoul THE KOREA H
in English 29 Sep 95 p 8

[FBIS Transcribed Text] An advance
tem, which will play a key role in the
perhighway networking, has been suc
oped by domestic researchers.

Korea Telecom (KT) said yesterday tha
team, led by KT engineers, succeeded
a working Broadband- Network Term
system.

"B-NT is used to connect ordinary ph
terminals with the information superhig
fiber-optic cables," said a KT spokesm

"The B-NT system will make possi
interactive multimedia services such
service, electronic shopping, remote d
and video conference as well as the
service," the spokesman said.

He noted that high-speed LAN (local
high-speed PC communication and o
data services can also be handled by th

"Domestic telecom companies have d
ported B-NT systems for the networking
munications system. KT- developed B-
pected to help the domestic companies
band service at a much lower cost," the
Researchers from the Electronics &
tions Research Institute (ETRI), LG Ca
Cable Co. and Hanwha Telecom have
in the B-NT project, which was started

The development of B-NT is part of the
HAN/B-ISDN (highly advanced nat
integrated service digital network) p

to domestically produce 11 key telecommunications equipment.

"KT will develop two kinds of B-NT commercial models. A centralized access note system (CANS) B-NT will be debuted access node system (SANS) B-NT by December 1997," he said.

Finance Minister on Curbing Overseas Investment

SK2809050495 Seoul MAEIL KYONGJE SINMUN in Korean 27 Sep 95 p 1

[FBIS Translated Excerpt] On 26 September, the National Assembly continued their second day of inspections on government offices and government-invested corporations. [passage omitted]

Testifying at a parliamentary inspection session on the Finance and Economy Ministry, Hong Chae-hyong, deputy prime minister as well as minister of finance and economy, said: "In order to map out measures to build a sound foundation for overseas investment by ROK businesses, the ministry will require a minimum rate of capital supply for overseas investments that exceed $100 million, and plans on curbing the transfer of key industries overseas."

He then added, "The ministry will also prohibit conglomerates with weak financial structures from avoiding bans on inter-company capital investment and guarantee, and investing in overseas projects." [passage omitted]

ROK To 'Completely' Privatize Korea Telecom

SK2809041295 Seoul THE KOREA HERALD in English 28 Sep 95 p 8

[FBIS Transcribed Text] The government plans to privatize Korea Telecom (KT) by the end of next year by lowering its stake in the telecom giant from the current 80 percent to 49 percent, the Ministry of Information and Communication (MIC) said yesterday.

The ministry said that Korea Telecom will completely fall into private hands by 1999, when the government will sell off all of its remaining KT shares to the public.

"The KT privatization plan will be conducted in three stages," said a ministry spokesman.

"The government's stake in Korea Telecom will be reduced to 66 percent by the end of this year, 49 percent in 1996, 29 percent in 1997, 14 percent in 1998 and 0 percent in 1999," the spokesman said.

But he ruled out the theory of Korea Telecom becoming a subsidiary of a major business conglomerate, saying that the government will lead KT shares to be sold among ordinary investors.

"The government will limit the equity ownership by a single shareholder of Korea Telecom to less than 3 percent," he said.

The KT privatization plan has been worked out by the Seoul National University Management Research Center at the request of the ministry.

Under the plan, the government is scheduled to stop interfering in the management of Korea Telecom from January 1997, when 51 percent of the telecom company's shares will be owned by private investors.

The spokesman said that the KT privatization schedule could be subject to changes, depending on the stock-market circumstances.

The ministry-commission assessment team also pointed out a host of inefficiencies in the current KT management.

"Korea Telecom reported four service failures per 100 phone subscribers per month, compared with 1.66 failures for Britain and 0.21 failures for Japan," a member of the assessment team said.

"In terms of call completion rate, Korea Telecom posted 58.2 percent, compared with 70 percent of the United States and 63.1 percent of France," he said.

What is worse, Korea Telecom lags behind its competitors among advanced countries by about five to 10 years in technological development.

The privatization of Korea Telecom has long been wanted to help innovate the company's management style and strengthen its international competitiveness. It is also intended to enliven competition between KT and private telecom service companies.

Embarrassed by the lingering threat of a strike by KT unionists, the MIC has further pushed its drive to privatize KT.

"In its current status of state-owned corporation, Korea Telecom can not break from the bureaucratic culture and reshuffle its inefficient, excessively gigantic organization," he stressed.

"Imbalance in the manpower structure poses a serious threat. Korea Telecom has thousands of surplus staff, though it is suffering from a shortage of high-quality R&D manpower. Furthermore, KT excessively concentrates on the telephone business and widely lacks long-term strategies," he said, adding that customer service has also been insufficient due to KT's monopoly status in some service areas.

Payment and promotion system by seniority is blamed for the widespread low morale among low-ranking KT employees.

In the wake of a severe labor dispute several months ago, talk of reorganizing the world's eighth largest telecom service company has lately resurfaced.

Some academics and the private sector have long insisted on dividing KT into several independent corporate bodies in preparation for the opening of the domestic telecom market to foreign competition in 1997.

The government has reportedly started to give more weight to the "division theory."

Seoul To Halt Financial Support to Saemaul

SK2809033195 Seoul YONHAP in English 0107 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — The Seoul City Government decided Thursday to stop subsidizing two social organizations — Saemaul (new community) Movement headquarters and the Korea Freedom League — starting next year.

The decision contradicts the central government's plan to increase financial support to social organizations.

The Seoul Metroplitan Government did not include the subsidies in next year's budget.

Saemaul Movement headquarters and the Korea Freedom League are civilian arms of the government-driven social campaigns which were founded with the help of the former Pak Chong-hui government in the late 1960s.

Seoul city provided 55 million won to Saemaul headquarters in 1993, 50 million won in 1994 and 25 million won this year, while it provided 100 million won to the Korea Freedom League in 1993, 86 million won in 1994 and 15 million won in 1995.

Nation Announces New Liberalization Measures

SK2909044895 Seoul THE KOREA TIMES in English 29 Sep 95 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] About 120,000 Korean emigrants who have acquired foreign nationality, will be able to take the money they have earned from the sale of their real estate here out of the country in stages from late April next year, the Ministry of Finance and Economy announced yesterday.

Those intending to take out their money must file applications from next month through March next year, the ministry said. Next year, the government will also set a second application period, it said.

Koreans who have not relinquished their Korean nationality or who have dual nationality will continue to be prohibited from taking out money accruing from the sale of real estate here. All Koreans in foreign countries will continue to be barred from withdrawing money held by financial institutions.

This is the first time that the government has "officially" allowed foreigners of Korean origin to sell their real estate and use the proceeds abroad.

To take out the money, they must get confirmation from the tax office of the sale of their real estate here and proof from Korean consular offices that they have abandoned their Korean citizenship and acquired foreign nationality.

After the sale of the real estate, they must first deposit the money in foreign-currency accounts at banks they designate in Korea and then they will be able to take out the money on a step by step basis from late April.

Initially, they will be allowed to take out at least 100,000 dollars next year. Yon Won-yong, direct general at the Ministry of Finance and Economy, said many applicants would be able to take out the full proceeds of their sales in the initial year as the government plans to permit 500-1,000 million dollars out next year.

But there are many unattractive or uncertain points that may keep Koreans overseas from taking this legally sanctioned route, analysts here said.

First of all, the money they intend to take out overseas must be kept in a low-rate foreign currency deposit account with a prevailing rate of 5.5 percent, less than half the 13 percent domestic money market rate.

The government has not yet made public how long it will take to get all the money out completely, saying they will make a decision after examining how much money Korean emigrants plan to remit following the acceptance of applications.

The money that can be moved out of Korea is restricted to the proceeds of real estate sold after its owners overseas have acquired foreign nationality.

Unless the tax office recognizes the sale, the money will not be able to be taken out. Many Koreans know too well that the National Tax Administration has often been arbitrary and inconsistent. To move as much money as possible, Korean emigrants may "inflate" the prices of the real estate they sell but they will be subject to more tax as a result. If they "deflate" the real estate price, they will pay less tax but will be unable to take out as much money as they wish, analysts said. Even if they report the "real" price of the real estate to the tax office, the tax office may refuse to recognize it, they said.

The government said it will closely monitor whether ineligible Koreans take advantage of the latest liberalization measures to illegally move capital out of the country.

In addition, legislation will be effected next year allowing second generation Koreans who have acquired foreign nationality to keep their real estate in Korea. Because real estate is still regarded as the best hedge against inflation and the nation is one of those countries where real estate prices have been rising fastest, Korean emigrants may be reluctant to sell their property here to move money out of the country.

Currently, Koreans must sell their real estate three years after they acquire foreign nationality although they are prohibited from taking the money abroad. This anachronistic law has made many Koreans overseas criminals.

Seoul has been pushing the liberalization of its tight capital controls. Over the next few years, it will virtually free capital controls, which will pave the way for Korean emigrants taking out all kinds of real estate and financial assets legally and freely.

Even in the past, Korean emigrants have had little problem in selling real estate here and taking the money out of the country although it has been illegal.

Those wishing to take out money here after the sale of real estate, must relinquish their Korean nationality. The government said it has decided to bar Korean emigrants without foreign nationality from taking money because many of them return to Korea again.

It said last year, 14,604 Koreans emigrated overseas but a startling 8,236 returned home. From 1981 through last year, 376,308 Koreans migrated overseas and 64,611 or 17.2 percent of them, "re- emigrated" to Korea because of the improving living standard here.

Report Notes Competitiveness of Farm Products

SK2809072095 Seoul THE KOREA TIMES in English 28 Sep 95 p 8

[FBIS Transcribed Text] Prices for key domestic agricultural and livestock products, like rice, barley, soybean and beef, are far more expensive than those in other nations, including the United States.

But some products like flower, fruits, vegetables and medicinal herbs are surveyed to be competitive in the international market.

According to a report submitted by the Rural Development Administration to the National Assembly before inspection of the agency's business, rice has been sold for 1,580 won (some two dollars) a kilogram at retail shops, five times the United States.

Korean farmers produced 449 kgs of rice on 10 ares of paddy on average, while American farmers harvested 623 kgs on the same acreage.

In particular, Korean farmers have spent 42.2 hours per 10 acres producing rice, almost 35 times longer than the more mechanized American farmers, who only need 1.2 to 1.7 hours.

The production cost for one kilogram of rice was 862 won, 3.7 times that of the U.S.

Barley has been traded for 527 won a kilogram at retail shops, 4.3 times the prices in the United States. Its production cost per kilogram was 417 won here, 5.1 times that in the United States. The yield was 44) kgs on a 10-are acreage, 68.6 percent more than U.S.'s, mainly due to labor-intensive farming.

The productivity of soybean per 10-are marked 168kg, two-thirds of the U.S., while the work required was 94 times that of the U.S.

The production cost per kilogram was 1,838 won here, or 13.3 times that of the U.S.

In addition, the international competitiveness for other agricultural products, including corn, potato, sweet potato, sesame, pepper, onion and garlic, was also lower compared to major producing nations like the U.S., China and Japan.

In terms of livestock products, the average weight of cow meat on sale was 450kg, while those of the U.S. and Australia were 500 kg.

School Teachers Join Protest Against Decision

SK2809041795 Seoul YONHAP in English 0242 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — Group after group of primary and secondary school teachers in the country are joining the signature campaign calling for legislation that would permit prosecution of those responsible for the bloody suppression of the May 18 Kwangju democratization movement of 1980.

Over 1,500 primary, middle and high school teachers in Seoul issued the "Seoul Teachers' Declaration for the Legislation of a May 18 Kwangju Movement Special Law" Thursday and demanded that those responsible for the bloody suppression of the movement be prosecuted.

"The prosecution's decision not to indict those involved in the suppression of the May 18 movement infringed upon the spirit of democracy and disrupted the order of social justice in Korea, even more than the collapse of the Sampung Department Store did," the teachers' statement read.

The teachers claimed in the declaration, "We have come forward to take collective action under the judgement that proper teaching cannot be realized unless the truth of a historical event is thoroughly probed and revealed."

The teachers also demanded that the prosecution's decision be repealed, that a special law governing the suppression of the May 18 Kwangju movement be legislated and that the truth about the incident be recorded in primary and secondary school textbooks.

Seoul teachers were the fourth group of primary and secondary school teachers that have joined the signature campaign involving the May 18 case.

A total of 407 teachers in South Cholla Province issued a similar statement on Aug. 30, while 3,108 teachers in Kwangju followed suit on Sept. 22 and 824 teachers in North Cholla Province did so on Sept. 25.

Opposition Chiefs Urge 'Political Neutrality'

SK2809084195 Seoul YONHAP in English 0620 GMT 28 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 28 (YONHAP) — Top leaders of the three opposition parties on Thursday unanimously called for political neutrality on the part of the prosecution when newly-appointed Prosecutor-General Kim Ki-su paid them courtesy calls.

In a 20-minute closed session with the prosecutor-general Thursday morning, President Kim Tae-chung of the main opposition National Congress for New Politics (NCNP) was quoted by NCNP spokesman Pak Chi-won as demanding Kim provide the momentum needed to achieve the prosecution's political neutrality.

The opposition leader said, "Based on the spirit of the criminal procedure law and of the Constitution, see to it that suspects who are not likely to flee or destroy evidence, particularly National Assemblymen, are investigated without being held in police custody."

Prosecutor-General Kim responded, "Although some have been detained in accordance with the equilibrium of the law, I'll try my best to carry out investigations without keeping them in custody," according to spokesman Pak.

Following the closed-door meeting, NCNP spokesman Pak explained that the prosecutor-general's remarks were of a general nature and that no detailed discussion took place between the two over the issues of Reps. Pak Un-tae, Choe Nak-to or the administrative head of Seoul's Nowon Ward Choe Son-ki.

Meanwhile, the prosecutor-general met with co-representative Pak Il of the minor opposition Democratic Party and President Kim Chong- pil of the splinter United Liberal Democrats at their party offices.

Both Pak and Kim asked the senior prosecutor to "maintain fairness and neutrality when exercising the prosecution's power."

Kim Chong-pil also had a private discussion with the prosecutor- general for about 10 minutes.

Knockdown Production of Cars Overseas Expands

SK2809070395 Seoul THE KOREA TIMES in English 28 Sep 95 p 8

[FBIS Transcribed Text] The knock-down (KD) production of Korean automobiles in foreign countries has been increasing steeply in recent years, reaching 66,000 units in the first eight months, expanding 162.8 percent over the same period of last year.

Industry officials said a majority of the KD production has been taking place in countries like Thailand, Egypt, Taiwan, Zimbabwe, the Philippines, Venezuela and Vietnam, but is quickly expanding to other regions.

Under the program, critical parts and components are exported to offshore facilities in countries like the Netherlands, Pakistan and India, where they are assembled and marketed, they explained.

In the case of Hyundai Motor Co., the nation's largest automaker, it launched the commercial operation of related facilities in Indonesia, the Philippines and Egypt last month.

Hyundai officials said the total KD production in the three countries in the first eight months of this year was 11,580, up 555.2 percent over the same time of last year, and should continue to increase.

Kia Motors Corp., which by far has the largest offshore KD production capacity, assembled and sold a total of 46,263 units as of the end of last month in markets like Vietnam and Pakistan. Daewoo Motor, on the other hand, is just getting started in KD production, but is expanding its presence in a range of markets, including India, Iran, Vietnam, Indonesia and the Philippines.

Ministries, Oil Firms Conflict Over Oil Policy

SK2809072295 Seoul THE KOREA TIMES in English 28 Sep 95 p 8

[Article by staff reporter No Chun-hun]

[FBIS Transcribed Text] The government's plan to distinguish standard and premium gasoline to stop unhealthy competition in octane value is running into trouble with oil firms apparently reluctant to produce expensive fuel.

The plan is also having a difficult time getting implemented with the Ministry of Trade, Industry and Energy and the Ministry of Finance and Economy, holding conflicting views on the new system.

MOTIE officials, however, said the plan will be introduced next month, and an additional levy of 90 won per liter will be imposed on premium gasoline with octane values of 97 and above, starting Nov. 1.

"The plan will go into effect as scheduled, and companies are learned to have made the necessary preparations to produce the high octane gasoline," said MOTIE's Kim Yong-sam.

He said the additional levy of 90 won plus a 10-percent value added tax will take the prices of premium gasoline to 734 won (about 95 cents) per liter compared to 635 won for standard unleaded fuel.

Kim explained that the main reason for delaying the imposition of the new levy is that many consumers are still not aware of the new system, and the month of October will be dedicated to its publicity.

The price differential system drafted by MOTIE prevents oil companies from engaging in heated competition over octane values which denote anti-knocking characteristics, meaning the higher the value, the better the combustion.

The "octane war" had been launched by Ssangyong Oil Refining Co., which began producing gasoline with an octane value of 97 instead of the regular 93-95 to gain a larger market share.

However, rival companies contended that Korean automobiles are designed to run on octane values of around 93, thus making higher octane gasoline marketed by Ssangyong redundant.

Ssangyong, for their part, argued that the octane value of 94-95 is well below the standards adopted in countries like the United States since the calculation method is distinctively different.

They said the Korean system of using research octane numbers (RON) is about five points lower than the average RON and motor octane number (MON) used in the United States, where the standard is around 92, equivalent to 97-98 here.

The trouble with the new system is that it requires gas stations to reserve tanks for premium gasoline, whose potential demand, mostly owners of luxury cars, has yet to be accurately evaluated.

Honam Oil Refining's Nam Yong-il said his company is prepared to begin producing premium gasoline once the system is well in place, and maintain the octane value of 95 for the standard product.

Ssangyong, on the other hand, is learned to be planning to cut the octane value down to 96, and refrain from manufacturing the 97 octane gasoline it now sells at the same price as other companies' 95 octane products.

Burma

Rangoon Edges Toward Mekong Membership

BK2909060295 Bangkok BANGKOK POST in English 29 Sep 95 p 7

[Unattributed report]

[FBIS Transcribed Text] Burma has agreed to take part in an exploratory meeting with five other Mekong riparian countries on the condition it is mutually beneficial, Burmese ambassador Tin Winn said yesterday.

Mr Tin Winn said he received instructions from the Foreign Ministry in Rangoon regarding the meeting yesterday morning.

"The only one condition is Burma will participate if the meeting is useful and beneficial to all six Mekong riparian countries," he quoted his headquarters as telling him.

Both Burma and China, upstream Mekong countries, were invited to the meeting in August by the chairman of the Mekong Council, Cambodian Senior Minister Ing Keat.

The special "exploratory meeting" is to establish a dialogue paving the way to possible membership to the Mekong River Commission.

The participation of China and Burma is important to the sustainable use of the Mekong River.

However, the four lower riparian countries — Laos, Thailand, Cambodia and Vietnam — do not want to rush them into joining.

The agreement is binding and requires consultation among signatories on projects on the Mekong's mainstream and water utilisation.

China last Monday, via its embassy in Bangkok, unofficially informed the Mekong Secretariat it will nominate the embassy's minister counsellor and an official from Beijing to participate in the meeting.

The meeting has been set for early November in Ho Chi Minh City, one day before or after a special meeting of the Joint Committee.

Mr Tin Winn said that Burmese officials — possibly from ministries of Foreign Affairs, National Planning and Economics Development, and Forestry — will be at the meeting even though an official reply to the Mekong Secretariat is yet to be made. A decision was announced only yesterday morning.

He declined to speculate when and whether Burma would officially join the Mekong River Commission since Burma's agreement to join the other riparians is only to observe the exploratory meeting.

Khun Sa: Mong Tai Split Planned by SLORC

BK2909043295 Bangkok BANGKOK POST in English 29 Sep 95 p 7

[Unattributed report]

[FBIS Transcribed Text] The recent breakaway by a number of Mong Tai Army [MTA] personnel was the work of the State Law and Order Restoration Council [SLORC], claimed drug kingpin Khun Sa.

Khun Sa accused the SLORC of being behind the defection of between 500-1,000 MTA soldiers led by Lt-Col Gunyod.

Lt-Col Gunyod might be backed by someone in the Rangoon junta in a trick to spilt the unity of the people of Shan State, claimed Khun Sa.

Such a stratagem will help the SLORC easily drive Shan nationals to fight against each other and eventually there will be no more Shan people left in the state, said Khun Sa.

Rangoon has also successfully applied the same trick to splinter the forces of the Karen National Union (KNU), noted the drug warlord.

Khun Sa blamed Lt-Col Gunyod for not bothering to spare his feelings and likened him to an "untamed tiger".

"When a tiger is sleeping, we can see only its tail swishing. But when it stands up, we are able to see its stripes."

In 1988, Gunyod, who was then an exiled Rangoon student, joined Khun Sa's Mong Tai Army with the rank of lieutenant.

Due to his outstanding performance in MTA affairs, Gunyod became most trusted by Khun Sa who later promoted him to battalion commander with the rank of lieutenant colonel.

Shortly after Gunyod and other military personnel left the MTA umbrella, however, there was a major change in the Shan State.

On August 12, Shan State National Congress (SSNC) president Zao Gunjade, in collaboration with 10 other high-level military officers, seized power over the MTA congress and the organization itself.

They then set up a group called the Central Executive Reform Committee (CEC).

The 11-member committee, chaired by Mr Gunjade, included key men from the SSNC and prominent MTA administrators.

Khun Sa's name, however, was not on the list.

Sources close to the committee said the CEC was trying to draft legislation to enforce regulations on the Shan people and military personnel.

In the past, the SSNC has never evoked any regulations or legislation to control its area.

The legislation would bring unity to the state, believed the panel, and could also be employed as a state tool to determine penalties for unfaithful soldiers such as Lt-Col Gunyod.

On Monday, Khun Sa made it known to people making merit at a temple that he was ready to hand over power to CEC chairman Mr Gunjade.

"As soon as Mr Gunjade arrives at my base, I will give him authority over the Mong Tai Army," declared the drug warlord.

Mr Gunjade has reportedly made official visits to several military camps and is currently in Lai Kha town, Doi Laem Province, not far from Khun Sa's base.

Meanwhile, a group of MTA defectors led by Lt-Col Gunyod have set up their stronghold at Doi Kleu, outside Lashio town.

The group has also established another army called the "Shan State National Army", chaired by Lt-Col Gunyod.

The SSNA body consists of Lt-Col Poo Daving in charge of policy- making, Lt-Col Shinmin as the army commander, Lt Col Pooma overseeing financial affairs, and Lt-Col Kanna as the head of coordination.

Among the executive members, Daving was once a close aide of Khun Sa who had pushed him to the top post in the Shan State National Congress.

Report Says Shans Still Want Peace With Wa

BK2709071495 (Internet) BurmaNet News in English 25 Sep 95

[Report by the Shan Herald News Agency: "Shans still want peace with Wa"]

[FBIS Transcribed Text] Muangmai, 22 September 1995: Despite their resounding victory over Wa onslaught on Tuesday, the Shan leaders said they wanted none other than peace and reconciliation with their brethren whom they had been fighting against since the latter's ceasefire agreements with the Rangoon government in 1989.

More details about the battle were received by S.H.A.N. [Shan Herald News Agency] as Khun Duan Saengkham, the Central Executive Committee member of the Shan State Restoration Council, gave the above comment.

According to the official statement made this morning, the Was began shelling the Shan firebases in Hintang from 0610 to 0900 local time followed by human wave attacks by 1200 strong troops until 1330. Though they failed to take the main stronghold, the attackers managed to capture a hill connecting Hintang with a minor firebase. It was later taken back by the Shans' 23rd Battalion under the command of Kowngli in a bloody 20-minute long counter attack. They claimed to capture one 57 mm recoilless rifle, 12 M-22 automatic rifles and two M-16 automatic rifles among others. The Was' casualties were estimated as at least 30 killed and 100 wounded. Their own losses were 6 killed and 51 wounded. Confirmation from the Wa or Thai sources are not available.

"We are proud of our men but not of the victory," Khun Duan told S.H.A.N. "No matter who wins or loses, it is quite clear the real winner won't be either them (the Was) or us."

Brunei, Malaysia & Singapore

Malaysia

Trade Minister Discusses Economic Issues

BK2709122595 Jakarta BISNIS INDONESIA in Indonesian 20 Sep 95 p 1

[Interview with International Trade and Industry Minister Rafidah Aziz by Endy Subiantoro; place and date not given — italicized passages in English]

[FBIS Translated Text] [Endy] Does the current visit by the Malaysian trade mission have any specific objective, particularly regarding Indonesia's industrial manufacturing sector?

[Rafidah] We have no specific aims. We are only promoting investment opportunities in Malaysia which Indonesian investors could take advantage of. This is in compliance with Malaysia's current industrialization program and our offer of incentive investment packages.

On the other hand, the Malaysian business sector, which I am currently heading, will also look into the opportunity and the possibility of conducting viable joint ventures.

What is important is that the Malaysian and Indonesian private sectors should increase cooperation in an effort to meet the market demand of ASEAN's 420 million consumers.

[Endy] Can you describe the incentive investment packages which the Malaysian Government is offering?

[Rafidah] We have reduced taxes imposed on industries from 32 to 30 percent. Malaysia has also introduced a series of deregulation and liberalization packages, including the opening of new investment opportunities, the elimination of difficulties faced by investors, the reduction of regulations concerning ownership in the property sector, and also cutbacks in conditions regarding foreign equity.

Foreign investors are also permitted to have an equity of up to 100 percent in a number of investments within the export-oriented manufacturing sector.

[Endy] What is the actual situation regarding Indonesia's investments in Malaysia?

[Rafidah] During the period from 1990 to July 1995, approved direct foreign investments in the manufacturing sector amounted to US$29.96 billion. Indonesia's investments for that period amounted to US$1.23 billion. Indonesia now ranks as one of seven major investors in Malaysia.

The other six major investors are Taiwan (US$6.4 billion; Japan (US$5.96 billion); the United States (US$3.6 billion); Singapore (US$1.8 billion); France (US$1.68 billion); and South Korea (US$1.36).

The Malaysian Government approved 34 investment projects during the same period. Investments were made in basic mineral industries and oil explorations.

[Endy] Malaysia has been experiencing trade deficits with Indonesia over the last two years. Is there any special effort being made to overcome this?

[Rafidah] We are not very concerned over surplus or deficit issues regarding bilateral trade. We consider the increasing *trend* in the volume and the value of trade as more important in trade relations between two countries.

[Endy] What about your idea regarding opportunities for the private sectors of the two countries to enter into joint ventures?

[Rafidah] It is more worthwhile for the private sectors of our two countries to jointly develop their human resources. Such a joint effort will be beneficial for boosting the value added tax that will in turn reduce the *unit cost* for the development of human resources.

Superior human resources from such a joint effort could possibly be channeled to other sectors, namely to either the industrial, manufacturing or agrobusiness sectors.

Huge funds are needed to undertake such a joint effort. However, it would pose a heavy burden if only one side was made to shoulder such a responsibility. For example, at least US$50 million would be needed to meet the cost of developing human resources for the oil industry. Therefore, it would be better to cooperate instead of shouldering such difficulties individually.

[Endy] Has Malaysia proposed relocating its manufacturing industries to Indonesia?

[Rafidah] Such an endeavor is possible, because Malaysia's *labor intensive industries* will become less competitive in the near future. This is because Malaysia is currently moving toward becoming an industrialized nation. As such, it is only appropriate that we need to be more selective in promoting the types of industries.

Malaysia is currently stressing the development of high-tech industries such as the aerospace, electro-optics, biotechnology and modern electronics industries.

We invite Indonesian investors to participate in such programs for the mutual benefit.

[Endy] What should be emphasized to the ASEAN member countries regarding the absorption of the AFTA [ASEAN Free Trade Area] by the year 2003?

[Rafidah] We have agreed on reducing tariffs from 0 to 5 percent within the ASEAN region by the year 2003. But do not forget that we have also pledged our commitment to implement the *best effort strategy* at the recently concluded ASEAN Economic Ministers Meeting (AEMM) in Brunei. This means that every member country should hasten the tariff reduction of their commodities to 0 percent by the year 2000. Such an endeavor should be in accordance with their capability to do so.

In this context, the ASEAN countries need to hold dialogues with the industrial sector regarding tariff reduction. We are also conducting intensive meetings with the Malaysian industrial sector, since there are more than 1,000 product items listed under the *temporary exclusion list.*

In addition, ASEAN should also act realistically regarding tariff reduction. We need to strike a balance between the need to liberalize our markets and protect our strong industrial sector.

Editorial Views Assurances for British Investment

BK2809125495 Kuala Lumpur BERITA HARIAN in Malay 28 Sep 95

[Editorial: "The Strengthening of British Investors' Confidence" — received via Internet]

[FBIS Translated Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed conducted a meeting with about 150 representatives of British fund companies and leading corporate companies; bankers, and investors in Malaysia at a seminar organized by the Kuala Lumpur Stock Exchange [KLSE] in London yesterday.

It is good for Malaysia, and the KLSE to conduct this type of session to provide the latest information on the economic situation in this country, and to get reactions from British businessmen.

Usually, such a meeting builds new confidence in the investors, especially after they have heard rumors about a negative phenomenon alleged to be happening in Malaysia. Furthermore, probably, there have been British investors who think that Malaysia's policy regarding Britain is difficult to forecast. This is due to several past incidents that have tarnished bilateral relations between the two countries and at the same time have marred bilateral trade ties.

As far as we are concerned, everything has been settled. Dr. Mahathir's visit to Britain will further strengthen investors' confidence that we continue to need many kinds of investments from that country — both in the form of funds, and products manufacturing. British investors should not be in a quandry about investing in Malaysia because there are many countries that will seize the opportunity if they remain inactive. During the meeting, Dr. Mahathir gave assurances of Malaysia's economic situation, and told them about the government plan to accelerate economic growth.

British investors fully understand the economic infrastructure of Malaysia. They no longer have to ask about what is available to them. Perhaps, what is not clear is the change in the country's basic policy. We know that a policy is something that can be changed. Sometimes, a policy that is good for the people of the country concerned, may not be in the foreign investors' favor, especially one that has limitations. Some countries adopt a policy that frightens investors away and does not support economic growth. No investor is willing to take a big risk because he is responsible to his company and the shareholders.

Dr. Mahathir took the opportunity to explain Malaysia's economy to business people who are still in doubt about the real situation, especially to those still prejudiced against a country that was once colonized by Britain.

The Malaysian economy has grown by more than 8.5 percent a year for the last seven years. This was not achieved by coincidence but through careful planning, supported by a stable policy. The concerned investors have been guaranteed that the existing policy will be strengthened further.

We also expect British investors to know that Malaysia has an objective to make the vision 2020 successful. This is part of the ethics motivating all individuals, the government administrative machinery, and the private sector to achieve the goal. We are confident that by utilizing available resources, the vision will become a reality. Apart from the local people, current investors in Malaysia too have expressed their confidence in this. For this reason, they have become more confident in expanding their investment in the country.

Malaysia will implement its Seventh Malaysia Plan (RM-7) next year. This is more proof indicating the continuity of every policy that has been drawn up. Based on Malaysia's development plan — going on for 30 years beginning with the RM-1 — certainly, investors can make their own judgment that this chas never deviated from its objective to develop the country and to improve the welfare of the people.

Social deopment a country is an important aspect that investors consider because people's tranquility is linked with economic-political stability. If there is no guarantee of the people's socio-economic condition, then the country will bs. As a rt, investors will refuse to invest in such a country.

When we look at the close historical ties beten Malaysia and Britain, we are sure that British investors will turn this country into one of the most attractive investmnt centers.

Singapore

Editorial Hails Cooperation With Indonesia

BK2909093595 Singapore THE STRAITS TIMES in English 27 Sep 95 p 36

[Editorial: "Partners in Progress"]

[FBIS Transcribed Text] To adapt Marshall McLuhan, the apostle of modern communications, the visit last week of Indonesian President Suharto itself was the message. That it went beyond the Europe-East Asia economic conference, where he delivered the second day's keynote address, and reinforced bilateral ties affirmed the "close, mutually qualifying and beneficial cooperation" to which Mr. Suharto paid tribute. The occasion also confirmed the confidence with which Singapore and Indonesia look forward to deepening ties in the future. Even a cursory glance at the globe shows that not all neighbouring countries are fortunate enough to enjoy such a web of linkages. That is a measure of the wisdom that inspires a leadership that is conscious of the healthy impact that strong bilateral relations can have not only on growth in the two countries, but also on Asean, and the wider Asia-Pacific theatre. It is the region's good fortune that Mr. Suharto does not see economic cooperation as a zero sum game.

The disparity between Singapore and Indonesia, to which both Mr. Suharto and Prime Minister Goh Chok Tong drew attention at the opening of the Indonesia-Singapore exhibition, makes this cordiality all the more gratifying. Indonesia's size, population, abundance of natural resources, and cultural diversity invest it with special advantages. Batam alone is about three-quarters the size of Singapore. But there is also a certain complementarity, and Singapore's experience in tourism, trade, marketing and financial services offers ample scope for a strong partnership. In fact no matter how great the differences, the challenge of managing development is much the same.

Such country-to-country bonding does not happen overnight. It has to be fostered over the years through the forging of personal and institutional links. The two agreements on civil aviation and military training signed during the president's visit illustrate the point. Of undeniable practical value, they might serve an equally important purpose as symbols of abiding trust and confidence. That stage is not easily reached. The road to it has been paved with interaction at many levels: visits from the highest level down, joint action on troublesome problems like smuggling and piracy, agreements on water supply, exchanging radio and TV programmes, and the use of Indonesia's Palapa B2P satellite for Singapore International Television programmes which have a reach from Surabaya to Shanghai, and Port Moresby to the Maldives.

A strong meshing of economic interests is vital for what Mr. Suharto calls regional resilience. The stake that Singapore and Indonesia have in each other's prosperity could benefit others as well. The growth triangle concept proves the point. Malaysia, the Philippines and Thailand have mooted similar plans, in some cases suggesting extension beyond Asean. It should surprise no one if, given the growing inter-dependence in economic matters, this becomes a major development strategy. Obviously, such close cooperation would not have been possible without a confluence of views that is apparent in common approaches. The pains that both Mr. Goh and Mr. Suharto took at last week's economic conference to assure the European Union that it was not being excluded from the Asia-Pacific reflected their similar positions at Apec's [Asia Pacific Economic Cooperation] Bogor summit, and is expected to prompt a shared thrust at Osaka in November when the next Apec meeting takes place. Rapport is especially useful in overcoming the occasional rough patch in a relationship, or in coping with obstructiveness. But tried and tested institutional linkages are as important. A solid foundation has been laid. It will survive the vagaries of the future as long as both countries continue to believe that in cooperating with each other, as Mr. Suharto puts it, "we are building a better future for the Indonesian and Singapore peoples".

Indonesia

ICRC To Aid Departure of UK Mission Youths

BK2709144595 Jakarta ANTARA in Indonesian 1120 GMT 27 Sep 95

[FBIS Translated Text] Jakarta, 27 Sep (ANTARA) — Susilo Sudarman, coordinating minister for politics and security, has confirmed that the International Committee of the Red Cross [ICRC] will help five East Timor youths, who are currently at the British Embassy, to leave the country.

"Let them go abroad," Susilo told reporters after accompanying Presiden Suharto to receive the credentials of PRC Ambassador Zhou Gang at Merdeka Palace on Wednesday.

Susilo said it is strange for the five East Timor youths to want to go abroad because they are not on a list of persons wanted for acts of terrorism against the local population.

"Please go," Susilo Sudarman said. The minister added that they would be able to compare the situation abroad with Indonesia after they leave the country.

The youths remain at the British Embassy.

Meanwhile, he said the government will take stern action against those who have issued and distributed illegal leaflets in Jakarta.

Susilo later referred to a statement by Brigadier General Sutiyoso, chief of staff of the Greater Jakarta Military Region Command, that the Greater Jakarta Agency for the Strengthening of National Stability will investigate the distribution of the leaflets by irresponsible persons.

Youths To Leave for Portugal

OW2909054695 Tokyo KYODO in English 0457 GMT 29 Sep 95

[FBIS Transcribed Text] Jakarta, Sept. 29 KYODO — Five East Timorese seeking political asylum since Monday [25 September] at the British Embassy in Jakarta will leave Indonesia for Portugal on Friday night or Saturday, a Red Cross official said Friday.

Henry Fournier, head of the Jakarta office of the International Committee of the Red Cross (ICRC) told KYODO NEWS SERVICE that a decision on the matter will be made Friday afternoon.

Portugal on Tuesday offered political asylum to the youths. The ICRC has been acting as an intermediary and handling details of the departure to Portugal of the five East Timorese.

Fournier earlier said that in Portugal, the East Timorese youths would not be treated as political refugees but as ordinary residents.

The five, identified as Joaquim Antonio Alim, 24, Antonio Baptista Sequeira, 24, T.J. Timoteo, 23, Egas Soares, 25, and Nelson Turquel, 22, entered the main embassy building Monday and asked for asylum, saying they have lived under constant threat to their lives and well-being under Indonesian military occupation.

They also claimed that they are members of an underground network in East Timor and took part in a demonstration at the Santa Cruz cemetery Nov. 12, 1991, when at least 50 people were killed by Indonesian soldiers.

This is the third time since July 1993 that East Timorese have sought asylum in foreign embassies in Jakarta. Seven men spent several weeks at the Swedish and Finnish embassies in July 1993 before gaining asylum in Portugal.

Last November, 29 young men won asylum in Portugal after occupying the parking lot of the U.S. Embassy for several days.

Indonesia annexed East Timor in 1976, naming it the country's 27th province, a year after the Portuguese left their former colony.

The United Nations does not recognize the annexation, and widespread abuses of human rights in East Timor have been reported.

East Timor Governor Interviewed on Riots

BK2909103495 Jakarta GATRA in Indonesian 23 Sep 95 pp 31, 32

["Excerpt" of interview with East Timor Governor Jose Abilio Soares by correspondents Genot Wijoseno and Ruba'i Kadir in the governor's office; date not given — interviewers not individually identified within text]

[FBIS Translated Text] [Reporter] Can you explain why the disturbances persist in East Timor?

[Soares] The disturbances stem from racial, religious, ethnic and intercommunal issues. They mostly arise from religious issues. The issue was intensified by the action taken by Sanusi Abubakar, head of the Maliana Social Security Unit of Bobonaro Regency and aggravated by Sake, the prison official who was in charge of Catholic affairs. However, I believe the situation would not have become serious had Abubakar carried out his action in a legitimate manner and also if Zakaria Sake had not further incensed the issue. The situation became worse when Sake disseminated the issue throughout East Timor.

[Reporter] Why did the people resort to rioting?

[Soares] It was very clear that the community was enraged because their religion had been humiliated. I consider their sentiment relevant. They should have refrained from resorting to criminal actions. Nonetheless, such an action is an offense.

[Reporter] What is your personal opinion?

[Soares] Honestly, I am confused as to how to solve this issue. One cannot say a situation is not serious when actually it is. Anyone would be furious if criminal action caused the destruction of property, markets and schools. Such action is considered offensive. The public should acknowledge that we cannot protect anyone who is responsible for such actions. Nonetheless, crime cannot be solved by resorting to other criminal actions.

[Reporter] There are other cases where religion was humiliated given the cases of Permadi and Arswendo, but no offensive action was taken.

[Soares] As I have said, the incident that occurred here is considered offensive and criminal. In the case of Permadi, he only humiliated his own religion. However, the incident here is different. People from one religion humiliating another.

[Reporter] So, is it not similar to the Arswendo case?

[Soares] Let us reflect upon how we should actually develop East Timor. It is clear that the bishop and the pastors are assisting the Government in developing East Timor. They face issues in a tolerant manner hoping to prevent any untoward incident from spreading. I believe we need to handle this issue very carefully.

[Reporter] Do you feel the officials are weak because they were afraid of outside influences?

[Soares] I do not consider the action undertaken by the ABRI [Armed Forces of the Republic of Indonesia] as being under any external influence. Actually I feel the ABRI acted accordingly. It would be wrong to say that nothing happened. I feel that the action complies with the ABRI's doctrine. The ABRI needs to protect the people. Therefore, its action was not linked to any outside influence.

[Reporter] Now, let us return to the issue of Zakaria Sake. Is he not a native of Flores?

[Soares] As I previously stated people who are not originally from East Timor need to be cautious of the situation and conditions in East Timor. We should not believe that a person is good just because he is Catholic. Concerning Sake, he would not have acted in such a manner had he known that the East Timorese are facing a traumatic situation. In my opinion, any Indonesian desiring to enter East Timor should first understand that the East Timorese community is still developing. As such, nothing undesirable should be written.

[Reporter] Is it necessary to select the people who are allowed to enter East Timor?

[Soares] No. But we need to remind the Indonesians that they should try to understand the situation here. The Government should explain the current situation so the people who wish to enter the province cannot do just as they please. Take the recent incident: there are two people involved in the incident — one was responsible for discrediting religion, while the other tried to advocate his own cause using an improper and inaccurate manner. If one reads the letter written by Sake, not only the people, but I as well, would be enraged by his writing. Why should he write in such a manner? Are the people's opinions comparable with Sake's perception? It is possible that he was exaggerating. Moreover, it is also possible that he himself humiliated his religion.

[Reporter] There were rumors that the East Timorese residents were afraid of being pushed into embracing either the Islamic or the Protestant faith. However, it was acknowledged that after the integration process, the number of Catholics increased. What then is the actual problem?

[Soares] Now I ask you, what is the total percentage of Protestants among the East Timorese community now that the province is an integral part of the country? How many more have yet to be absorbed? There is a need to check on this issue. What percentage of the community in Dili embraced the Islamic faith after the province became an integral part of Indonesia? Yes, we need to conduct a check on such issues. It is important that the Catholic faith flourish within its stronghold. There would be nothing to be proud of if Islam were to flourish in East Timor. This is not possible because the province is not its stronghold. For example, the Catholic faith is strong in Bali. Is this something to be proud of? No. We do not feel proud if Bali happens to be such.

It is not that I disagree with people changing their faith, but we need to observe how such a process is carried out. I abhor guerrilla-type people who impose their influence on others to profess their faith. I strongly oppose this. The attitude of certain East Timor officials is sometimes found to be similar to that of the guerrillas.

[Reporter] What about the question of East Timor's aspiration of becoming a special Catholic district?

[Soares] No. That is not what I meant. If you came to interview me on such an issue, then I have nothing to say. The President has stated that the issue of integration has been settled. We should not bring it up again.

[Reporter] Are other provinces not facing the same unemployment problems? However, it seems these regions have not become explosive.

[Soares] Comparatively the situations in the other regions are also explosive. The question is how can we prevent such a problem from becoming explosive. The problem becomes explosive given the prevailing situation and the condition — not the people. There are other reasons connected to the issue of unemployment. People are continuously making demands for something all the time.

[Reporter] Could it be that East Timor was opened too early and that caused the local community to become less competitive to the outsiders?

[Soares] I do not have the time to study that. However the timing was accurate. At that time, the province was opened too wide drawing in a huge influx of outsiders, while only a few left the province. We only needed a glass of ice water, but we poured water hastily from the pitcher until it overflowed. We should not pour too much from the pitcher if we only need to fill one glassful. The situation would be somewhat different if we needed to fill a jerrycan.

[Reporter] In your opinion, has the sensitivity related to inter-ethnic and inter-religious issues reached a critical stage?

[Soares] In my personal opinion, I think the ethnic, religious, cultural, interracial problems are identical everywhere. Notwithstanding, sensitive issues do exist.

[Reporter] What is the best solution to the problem?

[Soares] It is important that we do not create new problems in the course of settling such problems. East Timor is a region for economic activities and a peaceful and stable situation is needed to guarantee the smooth flow of economic activities. We extend our sympathy to the local people and the outsiders who have fallen victim to the riots. I have heard that requests have been made to reconstruct damaged schools and markets. This is a problem for me. From where will the funds be acquired? The people should also understand that the reconstruction process will be time-consuming and difficult. I sincerely hope that the people themselves realize who will finally bear the brunt. Finally, I, as the chief administrator of East Timor, extend my sincere apology to the people who suffered during the incident at Mercadi (Comoro) — irrespective of whether they are East Timorese or outsiders.

Officials Urge Vigilance Against Illegal Leaflets

BK2809150995 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 28 Sep 95

[FBIS Translated Text] A coordinated meeting of ministers in charge of politics and security affairs held in Jakarta today called on the public to enhance their vigilance and not be provoked by issues which cause divisiveness and dissatisfaction with national development, as well as by efforts to split the nation. Such issues have recently surfaced in the form of illegal leaflets that may undermine national unity and integrity. Susilo Sudarman, coordinating minister for politics and security affairs, made the call after he chaired the coordinated meeting today.

Meanwhile, replying to reporters' question on the circulation of illegal leaflets, Bakin [State Intelligence Agency] Chief Sudibyo said people must not take the law into their own hands. People should simply report to the authorities about things that may affect their well-being.

[Begin Sudibyo recording] The public must not be easily provoked by various information from dubious sources. Rumors always have dubious sources. We really hope people will not get excited by that kind of information and take the law into their own hands because the government has the means to explain whether the information is true or not. If indeed it is true, the government will be swift in taking needed legal action. [end recording]

The Bakin chief said most of the illegal leaflets contain false facts, and show dissatisfaction with national development.

Laos

Border Security Meeting With Thailand Noted

BK2809075995 Vientiane KPL in English 0932 GMT 27 Sep 95

[FBIS Transcribed Text] Vientiane, September 27 (KPL) — The border security cooperation committees of Laos' Bolikhamsai Province and Thailand's Nong Khai Province on September 21 opened their second meeting in the Thai northeastern province.

Reviewing the border security cooperation between the two provinces after the first meeting, the meeting also agreed upon continuing security cooperation along the border, and on opening two local border checkpoints. One is between Pak Kading village, Pak Kading District and Thailand's Bung Kha village and the other is between Laos' Thouai village, Thaphabat District, and Thailand's Pengchan village, Phonphisai District.

The discussion also covered goods transport through permanent border checkpoints between Paksan and Bungkan, immigration, cooperation between the two sides' authorities in detection and arrest of criminals who are hiding in the other country, cooperation in interception and suppression of smuggling, support to agriculture and exchange in commerce and economy, tourism, culture, education and sports.

Heading the Lao delegation was Mr. Bounma Gnouchaleun, vice- governor of Bolikhamsai and chairman of the border security cooperation committee of this central province, and the Thai side was led by Mr. Anan Chaengklip, governor of Nong Khai and chairman of the border security cooperation committee of the Thai province.

Philippines

Japan Grants Aid for Social Projects

BK2909093495 Manila MANILA STANDARD in English 27 Sep 95 p 6

[FBIS Transcribed Text] The Japanese and Philippine Governments yesterday formalized an agreement on three grant aid projects designed to uplift the social sector amounting to P [pesos] 700 million (Y2.7 billion).

Makoto Katsura, Charge d' Affaires, Embassy of Japan and Foreign Affairs Assistant Secretary Lauro Baja, Jr. represented the two governments in the signing at the Department of Foreign Affairs.

The three projects will support the efforts of the Philippine Government in meeting the basic needs of the Filipino people in education, agriculture, and water supply.

The "Project for the Improvement of Educational Facilities — Phase III" will facilitate the construction of 69 additional typhoon-resistant school buildings in the Visayas and Mindanao.

The "Construction of the Integrated Data Base System for Agrarian Reform Program" aims at providing additional support for the nation's Comprehensive Agrarian Reform Program or CARP by introducing a computer network for processing relevant data.

The "Rural Environmental Sanitation Project — Phase III" will facilitate the construction of 134 spring or deep wells and 268 school toilets in several regions of the country providing safe drinking water and sanitary toilets for inhabitants in strategic rural communities.

Economic cooperation between the Philippines and Japan covers a broad-based and far-reaching area — ranging from large-scale economic infrastructure projects to grassroots projects for NGOs [nongovernmental organizations].

Within this context, grant assistance plays an important role in addressing social issues which have been given high priority in the Ramos administration's reform program.

Communists Warn Foreign Researchers on Mindoro

BK2909085595 Manila PHILIPPINE DAILY INQUIRER in English 27 Sep 95 p 17

[Report by Joel J. Jabal]

[FBIS Transcribed Text] Calapan, Oriental Mindoro-Communist guerrillas have warned foreigners to stop conducting research in Mindoro or face arrest and confiscation of their equipment and manuscripts.

"The revolutionary movement does not allow foreigners to do research studies here," said Ka [Comrade] Bigao, a New People's Army commander operating in Southern Mindoro in an interview with the INQUIRER.

Ka Bigao said all rebel units on the island have been instructed to carry out an NPA [New People's Army] policy disallowing foreigners to do research in the Philippines.

In May, guerrillas seized the field notes and equipment of a Japanese researcher identified as Atsuko Hayama of Kyoto University. These were forwarded to the Mindoro Island Party Committee (MIPC) for decoding, said Ka Bigao.

Taken from Hayama were 24 field notebooks, a draft copy of her thesis, a camera, surveying instrument and maps of several Mangyan communities she was studying. The Japanese was researching on Mangyan farming and agriculture systems.

Thailand

Drug Panel Open to 'Requests' From 'Accused'

BK2809033195 Bangkok BANGKOK POST in English 28 Sep 95 p 1

[FBIS Transcribed Text] The government-appointed drug inquiry committee yesterday announced that those accused by a foreign country of involvement in the illicit trade who want the committee to investigate the charge can submit requests by October 20.

The accusations must have affected
of the accused and damaged Thai so
announced.

The announcement, signed by comn
Thanat Khoman, said the requests ar
committee secretary Pricha Champara
of the Narcotics Control Board [ONCE
currently ONCB deputy secretary-gener

The appointment of the "public heari
has been heavily criticised by many
government tool to clear Chat Thai Part
Watthana Atsawahem and adviser Naro
U.S. drug trafficking allegations.

The allegations have tarnished the na
veteran politicians and is believed to
them being excluded from the current C

House Commission Head Warns Prol Ties

BK2909063095 Bangkok THE NATION 29 Sep 95 p A2

[Unattributed report]

[FBIS Transcribed Text] The chairman
committee on foreign affairs yesterda
Thanat Commission of Inquiry looking
allegations against Thai politicians to er
not affect bilateral relations between the

Suwat Liptaphanlop said the panel, cha
foreign minister Thanat Khoman, shoul
fully or it might adversely affect relation
land and the United States.

He said he considered the issue as an inte
did not want it to have any impact on rel
U.S., a major trading partner. If anythin
should be strengthened to benefit trade,

Suwat's comments came in the wake of
verbal attacks against the U.S..

Suwat said he viewed the U.S. allegatio
and that the investigation result would
U.S. decision to deny entry visas if it
supply the information needed to back t

"I believe that the result will change
future visa denials. The U.S. has the i
it refuses to part with it. So without U.
this issue cannot be resolved," he said.

He said the Thanat panel was doing its jo
the politicians who have been accused

to drug trafficking, and wanted to clear their names, to lodge a formal complaint with the commission.

Meanwhile, Chat Thai deputy leader Watthana Atsawahem said he would lodge a request with the Thanat commission to investigate the drug allegations against him before Oct 20.

He said he would wait until that time to avoid accusations that the commission was set up to whitewash him and senior party member Narong Wongwan in particular.

He said if he opted not to forward a complaint, it could be seen that he was afraid of something.

The deputy leader maintained his innocence on the drug allegations and challenged those accusing him to produce evidence to prove his wrongdoings. He said it had become clear that issue had been turned into a political game.

He said the visa denial had nothing to do with whether he would be given a Cabinet portfolio, and that he was not the only person who had been denied a visa.

"Several other people have been denied visas, not only me. But they don't have to bring such allegations against me as a reason for the rejection," he said.

Prasit Khowilaikun, the Thanat commission spokesman, said he was fed up with the way the press played up news about the panel. He called on the press to allow the commission to do its work before criticizing it.

"The commission is not out to kill anyone. The media should monitor whether we act in favour of any individual or specifically try to help anyone," he said.

Prasit, a former dean of Chulalongkon University's Faculty of Law, said he believed the commission would finish its investigation in a reasonably short period.

"But it could become a long saga if the issue was being turned into a political game," he said.

Articles Support Role of Thanat's Committee

BK2809152095

[FBIS Editorial Report] The Thai-language newspaper SIAM RAT, on 26 and 27 September, carries articles by its columnists supporting the appointment, by the Banhan Sinlapa-acha government, of an inquiry committee to investigate U.S. drug charges against Thai politicians.

In his page-5 column on 26 September, SIAM RAT's columnist Man Phatthanothai writes a 1,000-word article entitled, "Challenging Task of the Public Hearing Committee." He says Thanat Khoman, chairman of the inquiry committee, dropped a "bombshell" when he told the press that U.S. Charge d'Affaires Ralph Boyce told him during a meeting that the previous Thai Government asked the United States to raise drug charges against Thai politicians in a bid to discredit the opposition at that time during a no-confidence debate against the Chuan Likphai government. The revelation was denied by the U.S. Information Service the following day. The denial was short — only four lines. "Well, it is impossible for the United States to admit that its charge d'affaires made such a statement. Neither can the United States say outright that Thanat did not speak the truth — that would only draw stronger outbursts from Thanat," states the columnist.

"If this was true, Thanat's revelation would be a real shock to the Thai people. However, it was denied by the USIS which issued a four-line statement stating that the press report, and not Thanat's report, was incorrect," Man says.

Narcotics charges made against Thai politicians in a bid to block them from political advancement is unprecedented. Man says: "It was a masterpiece of cooperation between Thai intelligence and American CIA agents." He says Thanat emphasized during his interview that he was sorry for the damage done to the country and the Thai people by those who were dependent on foreigners. "This means there was much more that Thanat had learned from conversations with the U.S. charge d'affaires that day, but he could not reveal everything," Man concludes.

It has been a year and a half since the U.S. drug allegations brought up against Thai politicians were revealed to the parliament. But no further evidence has been supplied to Thailand to substantiate the allegations. The allegations were played up again when Prime Minister Banhan was about to form his cabinet. Now that an inquiry committee has been set up, we hope that all the mysteries will be resolved. Man says that the people trying to discredit the work of Thanat's committee only fear that the public could find out that the United States has no evidence to back its charges, and that the whole issue was one of internal politics with local politicians making use of the service of their big brothers to smear their compatriots for their own survival.

On 27 September, SIAM RAT's "Half Serious, Half Hillarious" column, on page 6, also writes about this issue. The 1,000-word article notes that many think the inquiry commission, with Thanat Khoman as chairman, will produce nothing of value on the U.S. drug charge investigation. The United States, especially, would not accept the findings of the committee. Moreover, people are afraid the work of this committee would put U.S.-Thai relations at risk.

The columnist, however, says he supports the appointment of this commission whose service would benefit the entire nation, and not just the two politicians as claimed by many. "I believe the appointment of this committee will benefit Thailand, the Thai Government, and the people because its role is to clear up all the mysteries which have tarnished the image of Thailand as a country," he says. He hopes that the world will be informed about the power politics under which fabricated accusations were made by a powerful country like the United States against a small country. The United States, plagued by the problems of narcotics trafficking and drug addiction, is looking for a scapegoat to blame. And Thailand is one of those countries.

"Drug addiction has become a big problem in the United States. Drug trafficking is a lucrative business where narcotics fetch high prices. This is why drugs from all over the world try to get there. This is a fact known to all," the writer says. "The U.S. Government has publicized facts about other countries trying to smuggle illicit drugs into America. One of those countries is Thailand. Thailand must clear up this matter. This is the duty of the Thai Government. Since the previous government was negligent in doing so, the present government must take responsibility," the article concludes.

Chinese Dailies View Thanat's Accusation

BK2809084995

[FBIS Editorial Report] Two Bangkok Chinese-language dailies — XING XIAN RIBAO and ZHONG HUA RIBAO — carry an editorial and a column on 26 and 27 September respectively commenting on the setting up of the panel to investigate U.S. drug charges against Thai politicians and the controversy following the meeting between its chairman, Thanat Khoman, and the U.S. charge d'affaires.

XING XIAN RIBAO on 26 September carries a 550-word editorial on page 2 entitled: "The Nominal Commission of Inquiry." The editorial notes that Prime Minister Banhan Sinlapa-acha presided over the first meeting of the commission. He stressed that the commission would be allowed to work independently. After the meeting, the commission announced that it would act only after receiving requests from aggrieved parties. The personal secretary of Watthana Atsawahem, one of the accused politicians, said Watthana wants to submit an application to the commission, but will wait to see the situation and the public reaction first. The editorial says Watthana is in a difficult position because he is unsure whether the commission can help clear him if he submits a request. On the other hand, the editorial says it will look like the drug allegations are true if he takes no action. If Watthana truly understands the situation, the editorial says, he should ask Banhan to abolish the commission because the commission can do nothing. The commission is not recognized by any law. It does not have the authority to summon anybody for questioning.

The editorial adds: "Colonel Thanat Khoman, chairman of the commission, said after having lunch with the U.S. charge d'affaires that the previous government had sought information on drug allegations against Thai MP's to counter a no-confidence debate. The U.S. Embassy denied the remarks. We do not know who made the mistake, but judging from Thanat's assertion that the previous government used the drug issue as a political tool to counter the opposition, it is clear he is trying to use his special status as chairman of the commission to pursue some political purpose."

In conclusion, the editorial says: "The credibility of the commission is in doubt. The issue will be complicated if Watthana submits a request to the commission to investigate the drug charges. If Watthana is confident that he is innocent, he should ask Banhan to take legal action over the case. This is the only way the United States will provide information — in compliance with the Thai-U.S. treaty on cooperation in criminal cases. The court will give Watthana justice if it turns out the information is based on mere assumptions."

ZHONG HUA RIBAO on 27 September carries a 800-world column by Yi Binghan on page 8 entitled: "You Must Treat Yourself With Indignity Before Being Treated With Indignity by Others." The column says that the United States, a country that has always extolled the advantages of democracy, is proud of the "rule of law" system. The U.S. authorities have strictly observed the country's laws. They dare not charge or arrest anyone carelessly. Americans do not respect the laws of others, though. According to the column, they consider other countries to be undeveloped countries. So they always interfere brazenly in other countries' internal affairs and wantonly accuse people in other countries.

The columnist raises the issue of drug allegations against Thai politicians, saying: "The drug allegations were repeatedly raised by the U.S. Government spokesman, the U.S. Embassy, and USIS when the previous government was facing a no-confidence debate in the Parliament. No evidence was provided, however. This constitutes slander against Thai citizens. The Thai Government has a duty to seek justice from the U.S. Government by asking it to provide evidence to back its allegations. If the U.S. Government fails to provide any evidence, the Thai Government has a duty to lodge a protest with the U.S. Government and demand an apology. The previous government did not handle the issue in line with international practice. It did not care about the Thai people's dignity. Instead, it took pleasure in the misfortune of others by repeatedly using unsubstantiated allegations to attack the opposition."

Now, the column continues, the new government has appointed former Foreign Minister Thanat Khoman to chair a panel to investigate the U.S. drug allegations. The committee has become the target of criticism by Democrat Party leaders, academics, and newspapers even though it has not begun its work.

The column adds that while talking to reporters after a meeting with the U.S. charge d'affaires, Thanat Khoman said the U.S. charge d'affaires informed him that the previous government asked the U.S. Government to provide a list of politicians suspected of being involved in drug trafficking so the government could use the allegations to counter the opposition. USIS immediately issued a statement denying Thanat's remarks. The column says it is strange that most newspapers and some academics believed the USIS statement and said that Thanat was lying. Logically, it adds, nobody can say who is lying because no third person was present at the talks between Thanat and the U.S. charge d'affaires. Only these two people know who is lying. The Thai people always look down on themselves and do not try to protect their dignity, the column says. This is why the Untied States has dared to trample on the dignity of the Thai people.

In conclusion, the columnist says that the United States does not respect the Thai people because some Thai people have a habit of following U.S. advice. It says that only by throwing off these psychological shackles can the Thai people stand strong with dignity.

U.S. Seeks Extradition of Suspected Drug Dealer

BK2809045095 Bangkok BANGKOK POST in English 28 Sep 95 p 3

[Unattributed report]

[FBIS Transcribed Text] The United States has asked the police through the Foreign Ministry to arrest a Thai man and extradite him to America to stand trial on drug charges.

Prong Ketsiri, who is in the fisheries trade, is suspected of conspiracy to smuggle heroin into America.

The U.S. also sent a warrant for the arrest of Prong, according to the Police Department's foreign affairs commander, Pol [Police] Maj-Gen Ammarin Niamsakun.

Ammarin said the U.S. had asked for the extradition under the Thai-U.S. Extradition Treaty.

A subsequent check by Thai police found that Prong had been arrested in another drug case and was now being tried.

Pol Maj-Gen Ammarin said the Thai police told the U.S. to seek Prong's extradition through official channels.

They must send relevant documents including the indictment and evidence against the man so that the Government could proceed with the case in the way it did with that of former Chat Thai MP Thanong Siriprichaphong.

In the Thanong case, the Chuan Likphai government asked the Criminal Court to consider the U.S. request and the court ordered that the former MP be extradited as requested.

Mr Thanong appealed and the Appeals Court has yet to make a ruling.

Tripartite Meeting on Drug Suppression Held

BK2809075695 Bangkok Radio Thailand Network in English 0000 GMT 26 Sep 95

[FBIS Transcribed Text] Representatives from related agencies in Thailand, Myanmar [Burma], and the United Nations Drug Control Program, or UNDCP, gathered at a meeting held at the Office of the Narcotics Control Board, or ONCB, on Monday. ONCB Secretary General Chaowalit Yotmani presided over the opening ceremony. The meeting considered drug control activities and plans in the sub-region. Issues discussed include drug suppression, control of narcotics crop cultivation, and treatment and rehabilitation of drug addicts.

The Myanmar delegation led by Colonel Soe Win was from the Central Committee for Drug Abuse Control. The meeting also focussed on drug trafficking suppression along the Thai-Myanmar border. The operation has been supported by UNDCP.

Wimon 'Satisfied' With Reshuffle List Changes

BK2809035795 Bangkok BANGKOK POST in English 28 Sep 95 p 3

[Unattributed report]

[FBIS Transcribed Text] Army Commander Wimon Wongwanit claimed yesterday to be satisfied with the changes made to the reshuffle list

Those promoted to the top posts were acceptable and would cooperate well with the Defence Minister, Gen Wimon said.

He pointed out that the three generals promoted were the most senior and each had at one time been army chief-of-staff.

Gen Chawalit Yongchaiyut's changes to the list caused Armed Forces Chief-of-Staff Pramon Phalasin to be promoted to army commander, Deputy Army Commander Phaibun Emphan to become defence permanent secretary, and Deputy Defence Permanent Secretary Gen Wirot Saengsanit to get the supreme commander post.

Gen Wimon, who retires this month, had originally nominated Gen Phaibun as his successor.

He was speaking at a farewell ceremony arranged for him at the Special Warfare Centre in Lop Buri.

Gen Pramon said he was confident that Gen Chawalit would not implicate the military in politics.

Under his leadership, the Army, for its part, would not get involved in politics.

He said: "I'm a disciplined person. I obey orders. But the orders should have nothing to do with politics."

Gen Pramon said the Defence Minister had long military service and had a good understanding of military affairs.

He was sure the New Aspiration leader would know the extent to which he should involve himself in military affairs.

"I'm sure he won't interfere in every detail. We have a different part to play. Though an ex-military man, he's now a politician. The Defence Minister is our direct commander," he said.

Gen Pramon, 59, pointed out that he had only a year in office. During that time he would seek to foster unity in the armed forces.

He was confident that the new supreme commander would be able to bring about greater cooperation between the three armed forces.

The Army would continue to press for the realisation of several development projects initiated by His Majesty the King.

"The military has tools and construction machinery that could be of use in development projects and could help improve the standard of living of local people," he said.

Gen Pramon said he had no worries about being appointed army commander. He had grown up in the Army and had occupied many key posts.

Assistant Army Commander Gen Chettha Thanacharo and a group of senior army officers congratulated Gen Pramon at his home at the 11th Infantry Regiment headquarters yesterday.

Among members of the group were Gen Suthep Siwara, who is to be the new Army chief-of-staff, and Gen Bandit Malaiarisun, to be assistant Army commander.

Gen Wimon last night attended a farewell party organised for him by soldiers of the Special Warfare Centre.

He said during his farewell speech that he was "born to be a soldier" and could take up no other profession.

Deputy Prime Minister Thaksin Chinnawat said the reshuffle list was sure to have been carefully considered by Gen Chawalit before being passed to the Prime Minister.

"As a former Army commander and acting supreme commander, Chawalit must know what's what in the armed forces," Thaksin said.

Prime Minister Banhan Sinlapa-acha declined to comment, saying "the story is over".

Chawalit's Role in Military Reshuffle Viewed

BK2909053595 Bangkok BANGKOK POST in English 29 Sep 95 p 5

[Article by Banyat Thatsaniyawet: "Chawalit's intervention seen as an astute move"]

[FBIS Transcribed Text] An elected politician has intervened this year for the first time in the annual military reshuffle, breaking a tradition in which the armed forces commanders were always given a free hand.

Defence Minister Chawalit Yongchaiyut simply might have intended to do the right thing in trying to bring the military under some measure of civilian control, but it was also an astute move which will benefit him politically. In one fell swoop he has greatly enhanced his political credibility.

Former prime minister Gen Prem Tinsulanon also tampered with the reshuffle list in his time when he made ACM [Air Chief Marshal] Woranat Aphichari the air force commander instead of ACM Kaset Rotchananin.

But the interference by Gen Prem and that of Gen Chawalit really cannot be compared. For a start, Gen Prem was not an elected politician and he had the full support of the Armed Forces while he was premier.

A key Chat Phatthana Party figure believes Gen Chawalit was able to change the appointments of three key positions — army commander-in-chief, supreme commander and defence permanent secretary — without much reaction from the Armed Forces because of the isolation of outgoing Army Chief Gen Wimon Wongwanit, who does not really have a power base in the military.

The minister is also reported to have reached a compromise with Gen Wirot Saengsanit through the mediation of Prime Minister Banhan Sinlapa-acha, who has been close to the Class 5 officer since the military-appointed assets examination committee let him off the hook after the coup d'etat in 1991.

Gen Wirot has been named supreme commander while Gen Chawalit gave the powerful post of army chief to Gen Pramon Phalasin, a long-time friend, even though he has only one year left before retirement.

Gen Wimon did not get what he wanted but at least his friend Gen Phaibun Emphan, who he had nominated as his replacement, got the post of permanent secretary, the most senior civil service post at the Defence Ministry. Gen Wimon also was appointed chairman of Thai Military Bank as compensation.

The Chat Phatthana Party figure believes the intervention of the Defence Minister will establish a new custom that will give more clout to the post, but it could become dangerous in the hands of a minister lacking a large measure of justice and professionalism.

Chulalongkon University political scientist Surachat Bamrungsuk, a military affairs specialist, said the military was now worried about politics interfering with military affairs and felt this could create unrest among the Armed Forces.

But one certain effect of Gen Chawalit's intervention is that future defence ministers will have to be people who understand the Armed Forces very well. Gen Chawalit is a former army commander-in- chief.

The Chat Phatthana source said the move had raised the status of Gen Chawalit at a time when his New Aspiration Party's coalition partner, Chat Thai, is caught in political chaos.

This will serve him well politically if Chat Thai should prove to be the undoing of this government.

Another Chulalongkon political scientist, and a critic of the military, M.R. [Mom Ratchawong — member of royal family] Sukhumphan Boriphat, said it was good to see an elected government show it is not just a "rubber stamp" for the armed forces reshuffle list each year.

"It's the only thing that Gen Chawalit has done well since he resigned from the Armed Forces," said M.R. Sukhumphan.

The academic said he did not think it was interference in military affairs by politicians as Gen Phaibun had claimed after the appointments were announced. Rather it is a solid attempt to create a balance between the administrative power in the hands of the elected government and the status of the Armed Forces.

He believes the appointments were quiet acceptable and hopes the new army commander will have the opportunity to achieve something and continue the professionalism upheld by Gen Wimon.

However, the most important factor will be that the new army chief does not turn the Armed Forces into a tool for politicians or political parties.

One question M.R. Sukhumphan wants to ask is: If Gen Chainarong Nunphakdi was not appointed assistant army commander as Gen Wimon wanted because of his involvement in the Black May incident, why then was Gen Wirot Saengsanit given the post of supreme commander?

"Many people may see this as a post without much power, but it is a post with great honour. The supreme commander is the commander of all three armed forces and he must have their respect. So I don't understand that out of all the people who qualify for this post, why Gen Wirot was seen as the person with the most honour," he said.

M.R. Sukhumphan said the intervention by Gen Chawalit would build to some extent on the political charisma of the New Aspiration Party leader.

However, how much he can use this to further his political aspirations and win the premiership remains to be seen.

"It's still a long, long way to the stars for him. Whatever happens, Mr Banhan will not step down from the premiership without a fight to open the way for Gen Chawalit to take over."

Defense Minister Chawalit Departs for Cambodia

BK2909084595 Bangkok Radio Thailand Network in Thai 0530 GMT 29 Sep 95

[FBIS Translated Text] General Chawalit Yongchaiyut, deputy prime minister and defense minister, and his delegation are on a visit to Cambodia from 29 to 30 September at the invitation of the Cambodian deputy prime minister.

Before his departure from a military airport this morning, Gen. Chawalit told reporters that the visit will enhance the strengthening of bilateral cooperation in accordance with government policy. Moreover, an agreement on Thai-Cambodian border cooperation committees will also be signed during the visit:

[Begin Chawalit recording] Our delegation will discuss with our Cambodian counterparts the agreement reached last May by the Thai-Cambodian Joint Commission concerning several issues. The first issue, on which an agreement may be signed, is on the border committees at all three levels — the general border committee, the border peacekeeping committee, and the regional border committee. Another topic of discussion will be reciprocal assistance to enable the two countries to develop together. In particular, this will involve the assistance Cambodia has requested, such as training and study in the fields of agriculture and development. There will also be consultations on the Cambodian request for Thailand to help improve and develop transportation routes, especially railroads. [end recording]

Visit Agenda Previewed

BK2909064495 Bangkok BANGKOK POST in English 29 Sep 95 p 6

[Report by Phanrawi Tansupphaphon]

[FBIS Transcribed Text] Cambodia will ask Thailand to help with two military training schools during Deputy Prime Minister Chawalit Yongchaiyut's visit, which starts today.

Gen Chawalit, the defence minister, will also be asked to help provide Cambodia with medical supplies to treat wounded soldiers.

Cambodia's co-Defence Minister, Gen Tia Banh said: "I will ask the Thai side for help to build military training schools in Battambang and Siem Reap."

The schools are part of an effort by the Cambodian government to restructure its Armed Forces. Cambodia is also receiving help from the United States, France, Australia and the other ASEAN countries.

A source at the Thai embassy in Phnom Penh said the Thai side is waiting for details on the schools before it could determine the funds required.

The request was made some time ago, and reiterated at the first Thai-Cambodian Joint-Commission Meeting in April in Phnom Penh.

Gen Chawalit, whose delegation is mainly composed of ministers from his New Aspiration Party, is an old hand in Cambodian affairs.

Since the 1970s, he has been a key person behind Thailand's handling of the so-called "Cambodian problem" while in the Army Operations Department, the army nerve centre.

He facilitated the formation of the tri-partite resistance between the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] the Khmer Rouge and the Khmer People's National Liberation Front, and chanelling weapons and supplies to them from China and other supporters. Cambodia remained at the top of his agenda as he rose through to assistant chief of staff for operations, chief of staff and finally army chief before quitting to enter politics in 1990.

It is said that no one in Thailand knows Cambodia better than Gen Chawalit.

Gen Chawalit is also bringing along top officers formerly in charge of Cambodian affairs — Gen Chettha Thanacharo, army deputy commander-designate, Gen Sanan Khachonklam and Lt-Gen Amphon Chuthapithi, both from the Supreme Command.

Others on the delegation are Minister of Transport and Communications Wanmuhammatno Matha and deputy Agriculture ministers Monthon Khaiwatnuson and Chatchai Ia-sakun.

The highlight of the visit is the official signing ceremony of a three-tier border mechanism at the local, regional and national levels, by Gen Chawalit and Gen Tia Banh and Gen Tea Chamrat today.

The agreement comes into effect immediately. It was finalised during the Joint Commission meeting. Both sides have agreed the authority at each level will be equal on both sides, even though ranks may not be the same.

At the local level, Thai Army Regions 1 and 2, the Suranari and Burapha Task Forces will work with Cambodia's Army Regions 3, 4 and 5 and provincial interior and customs.

This level is the most important because it will be responsible for solving all problems, including crime, along the 824 km border.

At the regional level will be the supreme commands of both countries and at the national level their defence ministries. Cambodia's Chief of General Staff will chair the regional level, while Co-prime Ministers Prince Norodom Ranariddh and Hun Sen will co-chair at the national level.

Gen Chawalit and his delegation will be met at Phnom Penh's Pochentong airport by his Cambodian counterparts and Interior Minister Sar Kheng, and Thai Ambassador Sakthip Krairoek.

He will also review a guard of honour when he calls on his counterparts later in the day. He is also to call on both prime ministers before inking the document in the afternoon.

According to the same source, each minister will hold separate talks with their counterparts.

The transport minister will raise the reconstruction of a 48-km railway linking Aranyaprathet, Sa Kaeo to Sisophon, Bantey Meanchey. Representatives of the Thailand Research Development Institute Foundation and the State Railway of Thailand recently visited Phnom Penh with a view to rebuilding the link, but internal conflict remains of concern.

This project, estimated to cost 1,000 million baht, was raised by Cambodia in December 1993 during a visit by then Foreign Minister Prasong Sunsiri and former PM's [Prime Minister's] Office Minister Chinnawut Sunthonsima.

Major Thitiya Kriangsakphichit, spokeswoman for Gen Chawalit, said both sides will also discuss development of a communications system along the border to prevent misunderstandings.

The Thai government will sponsor 50 Cambodian Defence Ministry officials to train in Thailand in rural development, starting next year.

Burma Sets Conditions for Border Reopening

BK2809050295 Bangkok THAILAND TIMES in English 28 Sep 95 p A3

[FBIS Transcribed Text] Tak — Burmese government has proposed to demolish private buildings situated on the Thai bank as a condition to be in exchange for reopening of border checkpoints and construction of Thai-Burmese Friendship Bridge.

Deputy Commerce Minister Montri Danphaibun, accompanied by senior Ministry officials and local authorities, yesterday inspected the construction site of the friendship bridge linking Myawaddy and Mae Sot towns in Thai-Burmese border.

Montri said his visit to the province was aimed at easing the mutual border problem involving border checkpoints and temporarily- halted construction of the friendship bridge.

The controversial building owners have opposed to the Burmese demand for demolition of their properties and sought help from the government as well as hired lawyers to protect their rights.

Meanwhile, Chat Thai MP for Tak, Rak Tantisunthon, has called for the Commerce Ministry to help ease the problem by offering compensation worth 600,000 baht each to the building owner.

Some 16 units of privately owned buildings, which received permission to build from local officials, are being torn down on the Thai side of the friendship bridge after Burma ordered to halt the bridge construction in early June.

The Burmese government also ordered closure of some border checkpoints along Thai-Burmese border after Rangoon's allegation that Thailand harbor some ethnic minority groups fighting with it forces along the two countries' border.

Montri also assured to the suffered parties that Thai government will try its best to help them find the solution including the establishment of a border trade committee.

He added good cooperation from the two sides is needed to reap maximum benefit from the border trading, leading to the future alleviation of common border problems.

Burmese Envoy Names Conditions for Improved Ties

BK2909045695 Bangkok BANGKOK POST in English 29 Sep 95 pp 1, 3

[Unattributed report]

[FBIS Transcribed Text] A formal trade agreement, demolition of the structures encroaching on the Moei River, and recognition of the last meeting of the Thai-Burmese Joint Regional Boundary Committee — these are the steps which must be taken if there are to be better Thai-Burmese ties, according to Burma's envoy in Bangkok.

In an interview with the BANGKOK POST on Wednesday, Mr Tin Winn urged Thailand and Burma to conclude a trade agreement to regulate the flow of trade and guarantee the safety and interests of traders from both countries.

He said the agreement will pave the way for the reopening of three strategic checkpoints closed earlier this year as a result of misunderstandings between the two sides.

The volume of cross-border trade between the two countries is estimated at 10,000 million baht. Illegal trade is said to be six times higher.

Tachilek-Mae Sai checkpoint in Chiang Rai and Myawaddy-Mae Sot in Tak were closed in March in retaliation for what Rangoon claimed to be Thai support for ethnic groups fighting its control.

Victoria Point-Ranong was closed early last month following the brutal murder of at least five Burmese fishermen working on a Thai trawler.

"If border trade is formally legalised, we could expect economic development of the border areas on both sides, which would in turn contribute to peace and stability in these regions," said Mr Tin Winn in his written answer to questions submitted earlier.

Both Thailand and Burma have been trying to conclude some form of formal agreement for the past few years.

Both have worked on their own drafts. Concerned Thai officials will be meeting next week to review the Thai draft before opening talks with the Burmese side.

Both sides have also reached a common position that a new border trade committee need not be established, as the existing Thai-Burmese Regional Border Committee can do the job.

Thailand initially wanted a new border trade committee.

Burma has signed border trade agreements with three of its five neighbours: China in 1988, India and Bangladesh last year, leaving out Thailand and Laos.

Mr Tin Winn expressed confidence that a formal agreement will not deter the mostly unofficial trade between the two countries, but instead will facilitate trade between the people from both sides of the border.

Regarding the structure encroaching on the Moei River, a natural border line between the two countries, Mr Tin Winn said he had found out yesterday that all owners had agreed to the demolition.

Initially six out of the 15 were going to take their case to court.

He said he had informed both the Foreign and Interior ministries about the new development yesterday morning. He expects the Burmese side to send a fact-finding team to inspect the site and discuss border demarcation soon.

The Thai side has already nominated the officials to negotiate the issue with the Burmese side, he said.

Burma suspended construction of the Friendship Bridge which links Thailand's Mae Sot and Burma's Myawaddy, alleging that buildings on the Thai side were encroaching on the Moei River and altering the natural border line.

It said it would not resume construction of the bridge, initially expected to be completed in April 1996, unless all structures are removed, "the quicker the better," he said without setting a timeframe.

"When all these buildings are removed, both sides have to inspect the site and after that the construction can be resumed," he said.

Regarding the security issue, Mr Tin Winn repeated the view of the Thai side that all issues can be solved through Thai-Burmese border committees at the local and regional levels.

But he pointed out that for the Thai-Burmese Regional Border Committee to hold its next meeting, both sides have first to recognise the talks of its last meeting held in April in Phitsanulok which the Thai side ended abruptly.

The Thai side walked out of the meeting in protest against the intrusion onto Thai soil of the pro-SLORC [State Law and Order Restoration Council] Democratic Kayin Buddhist Army, the breakaway group of the Karen National Union.

The Burmese side was proposing six points which were quite a challenge for the Thai side. One of the points was that Thailand deny support and refuge for anti-SLORC groupings on its soil and for drug kingpin Khun Sa.

The Burmese side also felt it had lost face. Outgoing Army chief Wimon Wongwanit also declined to accept their courtesy call.

Mr Tin Winn stressed that Burma was not setting any conditions for the improvement of ties. Not even that Senior Gen Than Shwe, Prime Minister and Chairman of the State Law and Order Restoration Council (SLORC), asked Defence Minister Chawalit Yongchaiyut during his official visit to Rangoon early this month.

He quoted Senior Gen Than Shwe as explaining "frankly, openly and very brotherly" to Gen Chawalit that there was no dispute, only a "misunderstanding" which can be resolved by both sides.

He said Burma has recognised that Thailand has made a serious effort and in regard to the murder of Burmese fishermen, Thailand has taken "the necessary steps," he said.

A similar incident occurred five years ago, when a crew of 20 Burmese fishermen were killed by the former Thai owner of a trawler seized and later auctioned by Burmese authorities. The case remains unresolved today.

As for ethnic minorities and drug warlord Khun Sa, Mr Tin Winn said: "It is up to the Thai government. We are not suggesting, asking, or demanding. When we mention it, the Thai side knows what they should do."

NSC Optimistic About Burmese Border Situation

BK2909061395 Bangkok BANGKOK POST in English 29 Sep 95 p 7

[Unattributed report]

[FBIS Transcribed Text] Conditions along the border with Burma are improving, according to the National Security Council.

The council based its optimism on Defence Minister Chawalit Yongchaiyut's recent visit, the demolition of buildings encroaching on the Moei River and legal action against Thai fishermen accused of killing Burmese.

Although Gen Chawalit's visit to Burma was personal, it should improve relations, said the council, which felt that work on Thai- Burmese Friendship bridge could resume.

Thailand expects Burma to re-open the checkpoint to allow visits between Ranong and Victoria Point after a court ruling in the case.

Banhan, UK Trade Minister Discuss Investment

BK2809100795 Bangkok Radio Thailand Network in English 0000 GMT 26 Sep 95

[FBIS Transcribed Text] Visiting British Minister of Trade and Industry Ian Lang has praised Thailand for its success in economic development, bringing stability to the country. Mr. Lang paid a courtesy call on Prime Minister Banhan Sinlapa-acha yesterday on the occasion of his four-day visit to Thailand from 23 to 26 September. He said his visit to Thailand was the first overseas trip since he assumed office. This shows that the United Kingdom recognizes the importance and potential of Thailand.

The British minister said his country had expertise in the fields that are in demand in Thailand. These fields involve infrastructure construction, energy development, traffic control, and telecommunications services through satellite. Prime Minister Banhan said vast opportunities are opened up for the expansion of Thai-British bilateral trade. Trade between the two countries amounted to about 2,500 million U.S. dollars last year. Prime Minister Banhan said Thailand was accelerating law amendments concerning intellectual property and drug patent and the Thai Government fully supported private investment. He hoped that Thailand would have a chance to welcome British Prime Minister John Major at the first Asia-Europe Summit to be hosted by Thailand in March next year.

Tourism, Air Freight Sectors To Join Talks

BK2809044895 Bangkok THE NATION in English 28 Sep 95 pp B1, B2

[Report by Watsana Khomphira and Utsani Mongkhonphon]

[FBIS Transcribed Text] The Transport and Communications Ministry will propose to the Cabinet to appoint representatives from Tourism Authority of Thailand (TAT) and the Thai Air Freight Association (TAFA) to the government's aviation talks delegation, an indication of a major shift in the country's aviation policy. Thai and American aviation negotiators, meanwhile, are discussing the schedule for resuming talks after a five-year lapse in Washington D.C. next month to thrash out a new bilateral aviation agreement, sources from both sides said.

Mahidon Chantharangkun, the Ministry's permanent secretary, said that TAT and TAFA will provide broader input for the country's aviation policy and related obstacles.

Tourism operators have called on the government to put less emphasis on guarding the interests of Thai Airways International Plc (THAI), but instead consider the tourism industry as a whole when dealing with other countries on aviation rights.

"We are planning to boost the role of the two organizations in the talks. This is part of our strategy," said Mahidon.

TAT will be given a delegation seat and TAFA an advisory seat. Tour agents and hotels are supposed to work out their demands via TAT and air transport operators via TAFA.

The Thai delegation now comprises the permanent secretary and deputy of transport and communications, the director general and deputy of the Aviation Department, a representative of the Foreign Ministry, the director of Transport and Communications Ministry's International Affairs Division, the director of air transport at the Aviation Department, and a delegate from THAI in an advisory capacity.

Sources said there are grounds for a successful outcome with the U.S. as both countries have had no aviation agreement for the past five years due mainly to the deadlock on issue of fifth freedom [the right of an airline to fly routes between two foreign cities] flights out of Tokyo's Narita Airport and other Asian destinations.

But with the declining number of passengers out of Japan and from other Asian destinations including the decision by Delta to cease flying to Bangkok this December, fifth freedom has become less of an issue.

The U.S. side is expected to approach the negotiations with an open-skies policy, sources said.

Mahidon said the Thai delegation will be concerned with the numbers of tourists visiting the country each year, and will pay particular attention to where they came from, in an attempt to copromote the country as a tourism destination with TAT.

"Based on TAT's information, we might become more flexible, ease the regulations and allow more flights from countries which have many tourists coming to Thailand," he said.

Thailand is likely to adopt different aviation practices for countries and destinations even in the same region, he said.

There has been a tendency for fewer transit flights partly because aircraft have become more advanced and can cope with long- haul flights without making stopovers and also because Thailand has an inflexible aviation policy, a Ministry official said.

"Take Vietnam for example. Previously, most flights from Europe would stop off in Thailand before flying on to Vietnam. As passenger numbers increased and airlines asked for permission to operate more flights, approval was not granted. They then started making direct flights bypassing Thailand," said the source.

Thailand is losing its position as a regional hub because foreign airlines are restricting the number of flights on the basis that THAI provides sufficient services already.

Last month, the minister met state agencies and tourism businesses concerned with the matter. Most of the latter agreed that the government regarded THAI as its top priority in previous aviation talks.

Mahidon, however, denied the allegation that the aviation talks delegation has so far designated THAI as its primary concern. Sisuk Chantharangsu, director-general of the Aviation Department, also agreed with Mahidon.

"According to the aviation right agreement, THAI will be able to operate 651 international flights per week while foreign airlines are permitted 669 flights per week. It was not taken into consideration whether THAI could participate in the talks or not and THAI's demands were not asked for before the talks began," Sisuk said.

Vietnam

Lithuanian Prime Minister Concludes Visit

BK2809155595 Hanoi VNA in English
1501 GMT 28 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept.28 — Lithuanian Prime Minister [P.M.] Adolfas Slezevicius and his party left Hanoi this afternoon, concluding their two-day official visit to Vietnam.

Prime minister A. Slezevicius and his entourage were seen off at the government guest house by Deputy Foreign Minister Nguyen Dy Nien, Hanoi's Mayor Hoang Van Nghien and other senior officials.

Empowered by Prime Minister Vo Van Kiet, Deputy Foreign Minister Nien welcomed the success of P. M. Slezevicius's visit and said that the two agreements, one on the bilateral economic and trade cooperation and another on investment promotion and protection, signed here during the visit would be the beginning of the cooperative relation between the two country in the future.

For his part, P.M. A. Slezevicius affirmed that his visit would create opportunities for the cooperation between the two countries as well as other countries in the region. He expressed his hope that the two countries would set up embassies in each country to promote the cooperation for the interest of each side.

Earlier in this morning, Lithuanian P. M. Slezevicius and his entourage paid a floral tribute to President Ho Chi Minh at his mausoleum, visited his house and office, and laid wreath at the monument to martyrs here. The Lithuanian guests also visited the Hanoi Textile company.

Deputy Foreign Minister Visits Canada

BK2909073995 Hanoi VNA in English
0705 GMT 29 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 29 — Deputy Foreign Minister Tran Quang Co has paid a two-day visit to Canada as a guest of Canada's Ministry of External Affairs.

Deputy minister had working sessions with his Canadian counterpart Gordon Smith, the deputy minister for international trade, Allen Kilpatrick and the president of the International Development Research Centre, Huguette Labelle. He also called at the Canadian Institute of International Affairs and the Northern Bell Centre for Telecommunications Studies, and the Carleton University.

During these meetings, the two sides reviewed the development of the multi-faceted cooperation between Canada and Vietnam over the past years, and compared notes on measures to further strengthen friendly and cooperative ties between the two nation in the future, and on some international issues of common concern.

Earlier, Deputy Minister Co attended a conference on external affairs issues held in Ottawa within the framework of the Community of French-Speaking Countries.

German Government Grants Aid for Enterprises

BK2809160795 Hanoi VNA in English
1501 GMT 28 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 28 — Vietnam Vice Minister of Finance Pham Van Trong and German Ambassador to Vietnam Klaus Christian Kraemer, on behalf of their respective governments, signed here today an agreement on finance cooperation.

Under this agreement, Vietnam will receive DM [deutsche marks] 2 million as gratuitous aid for a project to encourage self-support solutions for non-state enterprises.

Decree Recognizes Foreign Arbitrator Decisions

BK2909065495 Hanoi VNA in English
0640 GMT 29 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 29 — A decree on the recognition and execution in Vietnam of decisions by a foreign arbitrator was made public at a press conference held here by the Government Office on Wednesday.

The decree, which was signed by State President Le Duc Anh on Sept. 27 is comprised of three chapters and 24 articles.

Deputy Minister of Justice Nguyen Van San said at the conference that the promulgation of this decree has created necessary legal foundation to ensure the rights and legitimate interests of business and investment activities of Vietnamese and foreign organisations and individuals, as well as the strengthening of the confidentiality of investment and business, thus contributing to the broadening and development of economic relations between Vietnam and other countries.

The decree also ensures the recognition and execution in foreign countries, in necessary cases, of decisions by Vietnamese economic arbitrators along the principle of mutual benefit.

The decree will take effect from Jan. 1, 1996.

Government Issues Document on Vehicle Imports

BK2909070195 Hanoi VNA in English
0647 GMT 29 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 29 — The Vietnamese Government has agreed in principle to remove tax exemptions applied to the import of vehicles of all kinds (except motorcycles) by foreign-invested joint ventures, companies and enterprises, according to a document issued by the Government Office on September 16.

The government has also given the green light to the adjustment of policies regarding projects involving in auto and motorbike manufacturing and assembly as recommended by the State Committee for Cooperation and Investment (SCCI) and other relevant ministries and agencies.

According to the document, the Ministry of Commerce and the SCCI will work together with other concerned offices for the import of spare parts and accessories for auto and motorbike assembly along the following lines:

— Continue the limited import of cars and motorbikes which are linked with the manufacture of spare parts and accessories in Vietnam, especially those produced and assembled with advanced technology.

— Abolish the limited import of spare parts and accessories that are not produced domestically while those requiring simple assembly will be subject to the import limitation.

Taxes applied to imported spare parts and accessories will be adjusted with regard to projects involving in auto and motorbike assembly and manufacturing in a bid to encourage high-tech spare parts and accessories production and assembly in the country.

General Explains Military Land Use

BK2909111295 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Sep 95 p 2

[Interview with Senior Lieutenant General Nguyen Trong Xuyen, deputy minister of national defense, by an unidentified correspondent; place and date not given]

[FBIS Translated Text] [SAIGON GIAI PHONG] *Can you tell us about the management and use of national defense land in recent years?*

[Nguyen Trong Xuyen] Pursuant to the Law on Land and subsequent official documents providing guidance for the implementation of the law, the Ministry of National Defense [MND] has issued many documents providing guidance to all Armed Forces units to satisfactorily carry out the management and use of national defense land, including Decree 271/QP on 21 October 1989, which strictly bans the sale, transfer, and rent of military barracks, housing, and land to civilian organizations and individuals. Moreover, every year, at 00.00 hour on 1 January, all military units must take inventory of their land, barracks, and so forth. The MND also sets up regional planning, and gradually amends local plans to meet new strategic plans for the entire country. It has instructed military units — whose barracks are already in the plan — to legalize their right of land use with the local authorities. So far, more than 40 percent of military units with more than 30 percent of all national defense land have been granted land certificates. In addition, the MND also cooperates with other ministries and central state organs to conduct spot checks on the management and use of national defense land in the entire country, especially in big cities like Hanoi, Ho Chi Minh City, and so forth.

[SAIGON GIAI PHONG] *Dear comrade senior lieutenant general, in recent years, military barracks in* *some localities have been abandoned or changed into residential units, civilian service centers, and so forth. How do investigation teams discover and deal with this situation?*

[Nguyen Trong Xuyen] By checking the management and use of national assembly defense land, we have discovered some problems. Land has been used improperly and inefficiently in some areas, due to a lack of concrete planning and funding for reconstruction. In some places, military land has been used to store goods, and has been rented out to civilian organizations and individuals to conduct private business, which is at variance with the state and MND regulations. Other military land — which is already in the plans or has not been planned at all — has been encroached by the public due to poor management. In some living quarters of soldiers' families, illegal housing construction and expansion, land encroachment, and illegal sale of land and houses have occurred. Some military units granted land to build housing have not presented proper construction plans, and have registered their land with local authorities. The MND has investigated and disciplined some military units and personnel for violating the law.

[SAIGON GIAI PHONG] *Rumor has it that some military units have sold land to some business and production organizations?*

[Nguyen Trong Xuyen] I have not heard about this. As a matter of fact, in recent years, through its national defense plan, the MND has returned its unused land to the government or to local authorities. So far, the MND has transferred to local authorities more than 13,500 hectares of land, including 11 airports and three sea ports. In Ho Chi Minh City, the MND has returned one military medical school with 45 hectares of land, a hospital with 40 hectares, hundreds of villas, and numerous pieces of land of up to 5-7 hectares. It is possible to say that with this positive action, the Armed Forces have contributed to the socioeconomic development in many cities, including Ho Chi Minh City.

[SAIGON GIAI PHONG] *In formulating city planning for Ho Chi Minh City after the year 2000, it is expected that all existing industrial establishments will be moved to suburban areas or integrated industrial zones. What measures will be applied to large industrial establishments of the Army such as the Z751, Z756, and Ba Son factories?*

[Nguyen Trong Xuyen] The general guideline is that we must save as many land areas as possible to contribute to building the nation. As a result, we will discuss all land areas belonging to the Army with the local authorities to find an appropriate solution to rationally rearrange land to ensure the immediate and long-term interests and to balance the need for land in the periods of war and peace. Afterward, we will submit the plan to the government for consideration. We have instructed various units to seriously carry out two tasks: First, to resolutely implement the City's planning, which was approved by the government, on the basis of ensuring success for the task while protecting the general interests of the City. Second, efforts must be made to comply with the City's architectural regulations. For instance, the Army will not build low houses in areas where the City planned to build high-rise buildings. I think that zoning national defense land in the city or planning a city on national defense land must be carried out on the basis of our party's two strategic tasks of building and defending the fatherland and ensuring political stability while firmly protecting the party and administration echelons.

[SAIGON GIAI PHONG] *In your speech at the second national conference on urban areas in Ho Chi Minh City, you said that the issuance of certificates for land use to various military units is a pending issue. Does this responsibility rest with the local authorities, the organizations concerned, or with state agencies for management of national defense land?*

[Nguyen Trong Xuyen] In recent years, many localities throughout the country have enthusiastically helped various military units manage and use national defense land. They have made decisions on legalization of allocated land, and issued certificates on land use by military units. However, in various cities, the issuance of these certificates was carried out very slowly and in some cases it was almost impossible. To resolve this issue, the MND proposed the following to the government and the localities: Regarding national defense land areas planned for long-term use that has been approved by the local authorities, the localities concerned should continue to issue certificates to military units to legalize their land use, to create conditions for them to clearly delineate land boundaries, and to effectively plan capital construction investment projects.

The state has promulgated decrees No. 60/CP and 61/CP on ownership of houses, rights to use and sell land, and on housing business including houses belonging to military units. In reality and in some places, however, obstacles still persist in the legalization of house ownership and the rights to use land by soldier families. Concerning this issue, the MND has asked various authorized state agencies and localities to create conditions to help resolve this issue as soon as possible. This is an important issue manifesting our party and state policies toward the Armed Forces.

[SAIGON GIAI PHONG] *Thank you very much, comrade.*

KIEM TRA Magazine Publishes First Issue

BK2909073795 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Sep 95

[FBIS Translated Text] The KIEM TRA [Control] Magazine recently made its debut with its first issue. As a press organ of the party Central Committee's Control Department, the magazine's main duty is to disseminate information to help the readership study the theories of Marxism-Leninism and Ho Chi Minh thought as well as various documents of the party on party control and party discipline. The magazine's duty is also to spread didactical, eulogistic propaganda using examples of worthy men and good performances in various party organs; to criticize bad habits; and to struggle against corruption and violations of party discipline and the law. This will help protect the party's prestige.

Foreign Offices Experience Problems

952E0107A Hanoi NHAN DAN in Vietnamese 15 Aug 95 pp 1, 2

[Article by Nguyen Kien Phuoc and Le Nguyen]

[FBIS Translated Text] Implementing the varied foreign policy and open economic policy of the state, from 1990 to the end of June 1995, a total of 834 offices of economic organizations from 41 countries officially opened operations in Ho Chi Minh City. Of these, 459 are commercial offices, 140 are consultant services offices, 90 are production offices, 28 represent airlines, 37 represent banks, and 27 are shipping offices.

The number of Vietnamese registered to work at these offices has now risen to 1,582, including 48 party members. After imposing a trade embargo against us for 20 years, the United States has quickly established economic and commercial relations, and the number of their representative offices here has risen to 51. Something that should be noted is that the presence of foreign representative offices has contributed to quickly expanding the city's foreign economic relations in terms of both quantity and quality. There has been a shift from such cooperative commercial forms as supplying consumer goods, raw materials, equipment, and chemicals and buying raw agricultural and marine products for processing to processing and packaging products, such as processing timber, making ready-made clothing and leather shoes, and so on. Even though the volume of products exported from the city is small as compared with the volume of goods imported, the percentage has increased every year. For example, in recent years, exports to Korea have increased an average of 7.2 percent a year.

Economic and commercial service activities are becoming more and more varied: There are 12 Japanese, American, Swiss, French, Singaporean, and Hong Kong insurance companies and 35 banks that are among the "Top 100" in the world. Also, banks in the "top ten" such as Fugi Bank, Sanwa, Mitsubishi, and Sakura, which rank from 3 to 6 in Japan, have begun carrying on operations in Vietnam. Companies offering other types of services such as commodity and transoceanic shipping and receiving, legal consulting, and legal and accounting services have begun carrying on operations in the city. For example, the Cooper and Lybrand, Price Water House, and Ernst and Young corporations have opened branch offices here. Twenty-four of the 100 leading American companies are officially carrying on activities in Ho Chi Minh City with different nationalities. Some of the most well-known companies in the world such as BP Oil and Shell (England), ESSO (Bahamas), Thyssen and Siemens (Germany), Dupont, Nike, United Airlines, and Carrier (United States), IBM, Motorola, and Caltex (Singapore), and Hitachi, Sharp, Yamaha, and Honda (Japan) are affirming their superiority in Ho Chi Minh City. Honda Motors has entered into a joint venture with Vietnam to produce 600,000 vehicles a year.

A total of 28 airlines have established representative offices in the city, and 11 have been issued permits to sell tickets.

Something worth noting is that the trend toward establishing production branches in Vietnam is increasing. Reuters has been granted permission to open a branch in Ho Chi Minh City to support exchanges with customers who buy news and to build, install, and maintain technical equipment in the south.

However, there are various loopholes that can be seen on the path of development. Things are moving very fast, a number of the regulations are no longer in accord with reality, and there are conflicting legal documents. These things have caused many difficulties for both owners and customers. For example:

In Ho Chi Minh City, there is a regulation that requires representative offices that want to lease a building or office to do this through the Foreign Offices Service Corporation (FOSCO). After that, they must get the approval of the Saigon Oil and Gas Services Corporation without having to submit anything to the offices of the Foreign Leasing Corporation for SCCI authorization. At the beginning of March 1993, the Municipal People's Committee issued Document No 1184/UB.DN authorizing units with foreign investment capital to directly sign agreements with foreign economic units. Then, in

October 1993, another document was issued permitting the Building Investment Corporation and the Building Management Corporation, which are subordinate to the Land and Building Service, to sign contracts with customers directly. One month later, Document No 822/VP.QLDT was issued, which authorized Building 27 on Nguyen Trung Truc Street (of the Sunimex Corporation) to sign contracts to lease offices and apartments. It certainly can't be said that this is a strict way of managing things. And increasing the powers of the local management organizations "drop by drop" like this is not a good way of doing things.

The regulations for managing the foreign economic organizations in the city are very confusing According to Decree 82/CP and Circular 03/TM.PC, foreign economic organizations must submit petitions directly to the Ministry of Commerce. And they have occasionally been asked to submit petitions to the locality or been required to obtain the views of the locality. There have been cases in which representative offices have asked that permits be granted without seeking the opinion of the locality, and the Ministry of Commerce has issued a permit. The government's decree and the commerce ministry's circular on representative offices contain many new management contents, but they have not been adjusted in accord with housing and labor. In Ho Chi Minh City, the labor recruitment documents of the representative offices are very detailed. They must contact FOSCO, obtain approval from the Labor, War Invalids, and Social Welfare Service and the security organizations, and then sign a contract with FOSCO. That takes several months at a minimum. Permission to rent a building must be obtained from the Building Services Corporation, the Land and Building Service, the Division Construction Office, and the Municipal Public Security Office before an official contract can be signed. That takes at least 6 months. This is quite complex when talking about the scale of operations of the representative offices and the management powers of the local agencies.

Inspections of the representative offices by Ho Chi Minh City during the period 1992-1994 showed that many offices were operating without permits and that many things subject to administrative punishment had not been mentioned. This included unilaterally disbanding operations, temporarily ceasing operations, changing directors and deputy directors without registering this, changing addresses without filing notice, and hiring Vietnamese in excess of the norm or adding people without registering them. Of the offices inspected, 88 percent had not paid the foreign income tax. Many representative offices were carrying on business activities
illegally and directly taking advantage o
nam.

In May 1995, the Ministry of Comm
campaign to inspect the representative o
commodity shipping and receiving corp
surance corporations. More errors were
as joint service agreements between f
and Vietnam and direct business arrange
guise of "promoting cooperative econo
cal programs with Vietnam." In July an
of August, 31 representative offices wer
rying on activities illegally. Clearly, "pr
cerning the operations of representative
been stipulated clearly in many of the le
Many of the advertising and travel activ
resentative offices are actually a direct f
in serious competition with Vietnam. A
eight offices of foreign advertising comp
granted permits to operate in Ho Chi Mi
one is inspecting and dealing with them
the law.

Besides this, there are many other typ
such as customer conferences, produc
sample presentations for which "making
"granting permission" are done in a
manner.

The phenomena discussed above show
quickly amend many of the legal docu
they are more uniform and synchronized
with the new situation. Vietnam has j
normalized relations with the United Sta
an agreement with the EU. Thus, to con
businessmen in Vietnam. we must have
cerning international and regional pract
accord with Vietnam's special circumsta
pressing task in reforming national adm
will contribute to maintaining the coun
dence and sovereignty as we become pa
community.

Article Condemns Bui Tin's Books on

953E0018F Hanoi TAP CHI CONG SA
in Vietnamese Jul 95 No 7, pp 42-45, 4

[Article by Le Phan Di]

[FBIS Translated Text] In recent years, in
communist "concerto," people can hear a
of Bui Tin! And Bui Tin is a member of th
rear" pleasure seekers. Bui Tin has writ
articles and given interviews. He has wo
to destroy the communist party and the
in Vietnam. The "price" of Bui Tin is in

of a man who once lived in the heart of the communist system and who was a member of the communist party for many years. What is so wicked about him is that he has used his position to trade with those who want to destroy the just cause of our people and nation.

What did Bui Tin write in "Hoa Xuyen Tuyet" and "Mat That," which were published in Paris in 1991 and 1993?

Once a professional reporter, Bui Tin cleverly has confused right and wrong and true and false in order to transform Vietnam and the Vietnamese people from a steadfast and heroic country and people moving steadily forward on the path of renovation into a dark land filled with negative aspects from which there is no escape. It must be admitted that in the 735 pages of these two books and in his speeches, Bui Tin has been quite successful in gathering and presenting various stories concerning everything from the lines and policies of the party and state to the character of actual people. The only thing is that in telling all these stories, Bui Tin's only purpose has been to distort the truth, reject the past, tarnish the system, smear the communist party, hurt the people, condemn the nation, and betray the cause for which he once worked. Bui Tin has done something that no patriotic Vietnamese can ever forgive. That was my first impression when I read his two books, and there is no way that I could ever change that view.

Because of the limitations imposed in writing an article, I can discuss only several of the issues mentioned by Bui Tin. My purpose in writing this article is not to awaken someone like Bui Tin, who has plunged deep into the swamp, and I have no illusions about helping Bui Tin to repent. I just want to clarify several points, things that I think are very basic, in the hope that those who have read and listened to the nonsense of Bui Tin will wake up to the truth and not let themselves be fooled.

Bui Tin wrote that the "fundamental error of the communist system, known as socialism in Vietnam, is that it established a party, political system, and social system of a religious nature...." [Footnote 1] [Unless otherwise noted, all of the statements quoted in this article are by Bui Tin.] According to Bui Tin, the leadership of the communist party, the "import of Marxism-Leninism," and "the establishment of socialism in Vietnam" are "root mistakes" of Vietnam.

Was the "root mistake" of Vietnam the "establishment of a party" such as the CPV? He is no different from previous traitors who sold their country. Bui Tin focused the spearhead of his first attack on the communist party. Here, he exposed his deep hatred for the revolution. He stated that he had mastered and had taught the history of the Vietnamese revolution. But now, he has done a 180-degrees turn, erasing the entire history of the Vietnamese revolution and denying the leading role of the CPV.

The history of Vietnam during the past 100 years shows that the birth of the CPV was an historical necessity. The CPV and its outstanding leader, Ho Chi Minh, soon grasped the laws of revolution and implemented a correct strategic line and strategy for Vietnam's revolution. Thus, all progressive forces in Vietnam acknowledged and were prepared to accept its leadership.

In the revolution, just as in renovation, the CPV has always started from Vietnamese realities, stood firm with respect to protecting the independence and sovereignty of the country and protecting the basic interests of the fatherland and people in order to accept and make creative use of Marxism-Leninism. It has regarded Marxism-Leninism and Ho Chi Minh Thought as a compass for solving Vietnam's problems and bringing happiness to the people of Vietnam.

The successful August Revolution and the two successful resistances against foreign aggression are clear proof of the spirit of initiative and creativity of the communist party, Ho Chi Minh, and the people of Vietnam. In particular, after the defeat of the French colonialists, the CPV, unlike any other party in the world, had to simultaneously lead the implementation of two revolutionary strategies based on different laws. This was unprecedented in history. This required a unique spirit of initiative and creativity. Thus, it can be seen that the success of the resistance against American for national salvation was above all a victory of Vietnamese intelligence and of the special spirit of Vietnamese initiative and creativity. With this unique creativity, the Vietnamese people, under the leadership of the party, scored one of the greatest victories of the age. Progressive people all praised this great victory of 30 April 1975.

Bui Tin has forgotten or intentionally distorted the above truths. He has criticized the CPV for importing Marxism-Leninism and condemned the party for "losing itself" and "blindly copying others," saying that the Vietnam revolutionary war was filled with "terrible years of war" and that the victory of the Vietnamese revolution was a "hollow victory."

Bui Tin has also said that Vietnam's "root mistake" was to establish socialism in Vietnam. According to Bui Tin, socialism has been a major mistake of the people. This is an erroneous and unscientific argument. For those who oppose communism and socialism and those who are filled with class hatred, socialism may very well be a misfortune for them. But for the great majority of laboring people, socialism is a source of great happiness. Regardless of Bui Tin's sophistry, one irrefutable truth is that in both theory and reality, under the leadership of Ho Chi Minh, the CPV has really become the nation, as was mentioned in the Communist Manifesto. The CPV is the party of the classes and the people. The party represents the interests not only of the working class but also of the laboring people and the nation. The success of the Vietnamese revolution to date is the result of making correct decisions and coordinating relations between nation and class and between national independence and socialism.

Based on the working class viewpoint, the CPV decided that the initial stage of the Vietnamese revolution should be a revolution for national liberation and that all national forces had to be assembled to win national independence. But it did not stop there. The great dream of the Vietnamese people and of the Vietnamese nation was to advance to socialism. Every Vietnamese wants a beautiful, civilized, and modern society that is materially prosperous, spiritually rich, and just, in which there is fraternity and safety, and which is free from exploitation, discrimination, and oppression by evil forces such as the mafia. Such a society must be a socialist society, an essential rung on the ladder of historical evolution discussed by Marx and verified by history. This is an ideal social system. The philosopher Balan Adam Sapho, based on actual experiences, said that "socialism is not the idea of a class or the means of a class to oppress other classes.... Socialism is man's hunger for freedom and equality and his thirst for the material conditions of life that mankind will realize in the 21st Century. [Footnote 2] ["News of Theoretical Issues," No 4, April 1995, page 5]

For the great majority of Vietnamese people, socialism is not simply a dream. It has, in part, become a reality. This is the result of a coordination between the national factor and the class factor and a creative merger between national independence and socialism. In Vietnam, national independence combined with socialism was not the idea of the party alone but the choice of the people and the reason for life of more than 70 million people. Only this path can bring the people a prosperous and happy life.

The realities and achievements of the renovation movement in recent years have shown that the CPV has achieved initial success in handling the relationship between developing a multi-faceted economy and maintaining the leadership of one party. One-party leadership is decisive for maintaining political and social stability and satisfying the people's hope of living in peace and being content with their occupation in accord with the economic requirements of the age. The CPV has the ability to lead the construction of a market economy in Vietnam. In developing a market economy, the state economy must provide guidance, and a socialist orientation must be maintained. The state must use market mechanisms and intervene in the markets in order to serve the interests of the laboring people and the interests of the nation and socialism and hit the target of a "prosperous people, strong country, and just and civilized society." Thus, Vietnam's market economy must be managed by the state of the people and regulated under the leadership of the communist party. This must be an economy with a social, humane, cultured, and just nature. Many scientific discussions have affirmed the correct nature of this socio-economic model. The lively reality of the renovation movement has proven that this is a vital model with great potential. And so why is there any need to change direction in order to look for a "fully privatized economic" model and "multiple party" model as called for by Bui Tin?

A truth that needs to be clarified is that the communist party made mistakes and was slow in admitting its mistakes. But once it saw its mistakes, it faced the truth squarely, engaged in serious self-criticism, and resolved to rectify its mistakes. The CPV has publicly admitted its mistakes in order to move forward. That is the sign of a strong party. Even though Bui Tin has gone out of his way to discover weak points and has distorted the truth, he cannot deny this. At a time when the people are enjoying the fruits of renovation, Bui Tin is saying that the "fruits of the renovation movement are of little substance and the will of the people is divided." Bui Tin laments that "the country has never faced such serious difficulties as it does today." He says that "the Vietnamese people are the most miserable people in the world." Is the present situation in Vietnam really that bad, Professor Bui Tin? He is completely wrong. Everyone of ordinary intelligence who knows anything about Vietnam, whether they are Vietnamese or foreigners, can confirm that the "most difficult period" for Vietnam is now in the past. If it needs to be repeated, that was the period just before and after the August Revolution, the years of terrible warfare, and the years when the country faced an economic and social crisis and the socialist system collapsed in the Soviet Union and Eastern Europe. In recent years, Vietnam has been developing vigorously, the people's standard of living has improved, our international prestige has increased, and the renovation movement is achieving wonderful results. People throughout the country and friends around the world, including many Western politicians and scholars, have recognized and are happy about the achievements scored by Vietnam. Only people like Bui Tin have closed their eyes and ears to the truth. Recently, at a time when the people of the entire country and friends far and near were celebrating the 20th anniversary of the liberation of the south, Bui

Tin responded to questions during a BBC interview in a spiteful and envious tone of voice and rejected the achievements of our country and people.

The facts say it all. Thanks to the renovation movement, today, in the 8,930 villages nationwide, 60.2 percent have electricity, 86.4 percent have roads, 91.6 percent have public health clinics, and 76.2 percent have Level-II schools. The percentage of poor households declined from 55 percent in 1989 to only 19.9 percent in 1993. In 1994, Vietnam had a record harvest of 26.2 million tons of grain, an average of almost 360 kg per person, and exported 2 million tons of rice. The gross export value was $3.6 million, an increase of 15 times that of 1976. During the period 1991-1994, the economy grew at an average rate of 8 percent a year, reaching 8.8 percent in 1994. Vietnam has commercial and economic relations with 104 countries and territories. By the beginning of May 1995, Vietnam had approved more than 1,300 plans totaling almost $14 billion. These are unprecedented achievements that are the result of renovation, a creative movement of the Vietnamese people. In July 1995, Vietnam became an official member of ASEAN, marking a turning point in Vietnam's integration into the regional and world community. Here, I want to mention an observation made by the Harvard Institute for International Development: "Vietnam has scored astonishing results during the initial years of switching to a market economy. In just 7 years, Vietnam has made major changes. The Vietnamese government can be proud of these achievements." [Footnote 3] [THOI BAO KINH TE VIET NAM, No 22, 1-7 June 1995, page 10]

Even though socialism has declined in the world, the international community recognizes that the CPV is the only political force leading renovation in Vietnam. The word "renovation" has become an international term. Friends respect this movement and regard this as a period of development and as a noteworthy event in the glorious history of Vietnam. It's not surprising that all of the leaders of the six West and North European countries that the high-level Vietnamese delegation led by Premier Vo Van Kiet met with at the end of May and the beginning of June gave high marks to the great achievements scored by Vietnam in renovating and building the country. The prime minister of Norway, Gro Harlem, said that the people of Vietnam have aroused the consciences of many people. Today, at a time when Vietnam is rebuilding the country, people of conscience throughout the world have a responsibility to Vietnam. [Footnote 4] [NHAN DAN, 5 June 1995]

The things discussed above are certainly enough to refute the distorted statements of Bui Tin. His distortions certainly won't fool anyone. Bui Tin is fooling only himself, and by doing this, he is only earning the contempt of men of conscience.

Official Urges Stronger Mass Mobilization

952E0105A Hanoi NHAN DAN in Vietnamese 5 Aug 95 p 3

[Article by Vu Oanh]

[FBIS Translated Text] In carrying on renovation during the past period, the party has given much attention to renovating and strengthening mass agitation.

The 8th Plenum of the CPV Central Committee, 7th Term, issued a resolution on "renovating the mass activities of the party and strengthening the relationship between the party and the people." After that, resolutions were issued on the various targets of mass agitation. In particular, the resolution on great national solidarity and other resolutions of the CPV Central Committee pointed out guidelines and tasks in building the revolutionary movements of the masses and mass agitation work. This has created the conditions for expanding, going more deeply into, and further developing mass agitation work.

Mass agitation has made an important contribution to implementing the renovation line, carrying out the political tasks in all spheres of operations, developing the economy and society, maintaining political stability, expanding foreign relations, and building up national defense and people's security. Entering the period of industrializing and modernizing the country, we must continue to renovate and strengthen mass agitation work at a high level.

The mass agitation tasks of the party are tasks of the central echelon, localities, and bases, but the focus must be on the primary level. Conditions must be created to step up mass agitation activities and mass movements at the primary level, because the final results of implementing the lines and tasks will depend on the primary level.

The Party's Mass Agitation Tasks at the Primary Level

With the viewpoints "the people are the root" and "the revolution is of the people, by the people, and for the people," the lines, positions, policies, and laws of the party and state must all help to build things starting from the primary level and the people. They must be introduced at the primary level so that the "people are aware of and discuss these, take action, and control things." That is the only way to put these into daily life and achieve real results.

In recent years, mass agitation work has manifested the active and creative spirit of the people in building and defending the fatherland, implementing the lines and policies of the party and state, and listening to people's ideas in order to contribute to forming and perfecting the lines and policies of the party and the laws and management regulations of the state.

Unfortunately, along with these positive changes, many shortcomings and negative aspects have arisen too. Corruption and bureaucratism, which cause problems for the people, have long been serious problems. The number of unemployed laborers is increasing. Little has been done to stop the decline on the cultural, educational, and public health fronts. There has been serious moral decay among some cadres and party members. Management, particularly management of the arable land, assets, and capital of the state, continues to have many loopholes, which has led to enormous losses, with the result that people have at times become disgusted because of those shortcomings and negative aspects.

The mass agitation work of the party at the primary level must delve deeply into the following basic problems:

1. The ownership role of the people must be manifested and the political system at the primary level must be renovated and reorganized based on the need:

To strengthen relations between the party and the people.

To have the authorities at the primary level really be of the people, by the people, and for the people under the leadership of the party.

To ensure that the Fatherland Front and mass political and social organizations are established by the people and led by the party.

These three systems have different functions and tasks. But at the same time, they are organically related in a body whose common task is to build and develop the economy and society, culture, security, and national defense for the primary level, with the target of support being the people.

The role of the party organizations at the primary level must be renovated and reorganized based on the policies and measures of the resolution of the 3d Plenum of the CPV Central Committee, 7th Term. Attention must be concentrated on dealing with two aspects of a very basic problem. One one hand, primary-level party organizations must strengthen their leadership effectiveness in accord with the renovation period. On the other hand, these organizations must be political organizations that are closely tied to the people, that are truly democratic, that set an example, and that adhere to and operate in accord with the constitution and laws of the state.

Cadres and party members must lead through the confidence of the people and through the responsibilities and powers given them by the people. They must manifest their model vanguard nature, remain uncorrupted, set an example in developing the economy and improving their lives, contribute to strengthening the country, and lead by persuading the people. They do not have any special rights or privileges as compared with the people. A mechanism must be built so that the people can participate in criticizing the party organizations and party members and participate in building the leading organizations and formulating the political tasks of the primary-level party organizations.

Primary-level authorities must be elected by the people and manifest the power of the people so that the people can make choices, monitor and discuss things, and recall people.

The Fatherland Front and the people's mass organizations must be built by the people. The mass organizations must mobilize the people to participate in building the party and primary-level administration. On the other hand, they must monitor things and build an ownership mechanism of the people.

2. The spirit of great national solidarity and all-people solidarity must be manifested in order to foster a spirit of harmony and peace within each family, hamlet, and social community. There must be solidarity among all strata, elements, and ethnic and religious groups. The target of having a prosperous people, strong country, and just and civilized society must be used as the point of similarity, and hatreds, complexes, and prejudices must be eliminated for the sake of the entire nation. Great national solidarity is a basic line of the party that must be implemented in each sphere, at all echelons, and in every sector, particularly at the bases.

3. The human factor must be exploited in accord with the idea of Ho Chi Minh: "All power and force rest with the people" (the people are the root). Exploiting the human factor must be done through the policy of "using manpower to build works for the people" and the policy of "for the sake of the country and the people." Democracy must be expanded even more with respect to politics, the economy, and society along with strengthening social discipline.

4. The mass agitation activities of the party will be able to persuade the people only if these activities serve the interests of the people, become deeply involved in

the economic and social development movements, and improve the lives of the people.

5. Steps must be taken to implement the social policies at the primary level, and more creative use must be made of these. Above all, efforts must be concentrated on ensuring social fairness for all people, every economic element, and all strata of people. Conditions must be created to enable each person to pursue happiness and to develop the economy, improve living conditions, and exploit the capital, labor strength, and intellectual talents.

Developing the economy must go hand in hand with solving the social problems. Eliminating poverty must go hand in hand with encouraging people to become wealthy legally. The gap between the rich and the poor must gradually be reduced. Everyone in society must strive to grow. The poor must strive to earn enough to survive, and those who have enough to live on must strive to become wealthy. Those who are wealthy must strive to become even richer.

The policy of "rendering thanks" to those who have rendered service to the country must be continued. A charitable movement must be launched, and attention must be given to helping the unfortunate. The people must be mobilized to participate in a struggle against bureaucratism, corruption, and social evils at the bases.

6. The people's standard of culture must be raised, and there must be cultural development for the people.

The task of raising the people's standard of culture and developing culture for the people is a leading policy. Increasing state investment must be coordinated with mobilizing manpower to launch a movement in which the state and people will together invest in raising the people's standard of culture and developing culture. There must be more solutions, and efforts must be concentrated on overcoming the decline in culture, education, and public health and the moral decay among some cadres, party members, and citizens. The population and family planning movement must be continued in conjunction with building families on the economic, cultural, educational, health, and moral fronts. The ecological environment must be protected and improved. A movement must be launched to improve the national culture along with strengthening acquisition of the human cultural essence.

7. An all-people's national defense and people's security movement must be launched, political stability and social order must be maintained, and actions and plots that are opposed to the interests of the people and country and that are destructive to building and defending the fatherland must be smashed.

These are the basic and urgent tasks of the entire party, all the people, and the entire military, and they are the contents of the party's mass agitation work.

A Number of Mass Agitation Themes and Formulas at the Primary Level

President Ho taught that "all administrative cadres, all mass organization cadres, and all members of people's organizations are responsible for carrying on mass agitation."

Ever since CPV Central Committee resolution 8B was implemented, mass agitation work at the primary level has become even more important. But there are still misconceptions, such as giving blank-check contracts to the mass organizations, which slight or ignore mass agitation work. Many bases are still confused about the contents of mass agitation. Based on practices at the bases that have done a good job, the contents of mass agitation work and the operating formulas of organizations at the primary level must be extracted:

1. The mass agitation contents and formulas of party organizations at the primary level:

The leadership functions of the party base organizations must be understood and carried out well. Among the people, the lines and policies of the party must be thoroughly understood using democratic methods to overcome bureaucratic and authoritarian work methods. Economic and social plans must be formulated in accord with the special characteristics and capabilities of each base, and steps must be taken to enable the people to expand the economy with the existing labor capabilities and capital and have jobs.

Attention must be focused on the interests of the people (a key theme in the activities of party base organizations). Plans must be formulated to regularly learn about the lives and aspirations of the people. There must be policies and measures to deal with things correctly and promptly, satisfy the legitimate desires of the people, and submit issues that are beyond the capability of the bases to higher echelons.

Tasks must be assigned to the key people in the party committee echelons who are engaged in mass agitation work full-time. Specific plans must be formulated to have each party member carry out mass agitation activities.

The party base organizations must be renovated and reorganized, the party must be purified, and the combat strength of the party members must be increased. Party members must set an example in working, laboring, and studying and in building the revolutionary action movements of the masses.

Party leadership with respect to the various administrative echelons, mass organizations, and mass associations, particularly the Ho Chi Minh Communist Youth Union and the Ho Chi Minh Vanguard Teenagers Unit, must be strengthened. People must contribute ideas concerning the guidelines and tasks of each organization. Leadership must be provided in coordinating things and assigning tasks in carrying out the political tasks of the authorities, mass organizations, and mass associations in the locality. In particular, attention must be given to guiding the mass organizations, exploiting their suggestions, and varying the activities in order to look after the interests and give attention to the aspirations of the association and union members, increase capabilities for expanding the mass organizations, and attract people who have never belonged to a mass organization. Attention must be given to building the ranks of core cadres of each organization and to training the cadres so that they have capabilities and enjoy the trust of the masses. Cadres must be selected using democratic methods. Creative use must be made of the policies for compensating cadres both materially and spiritually so that the cadres can set their minds at ease and work with enthusiasm.

2. Village, subward, and town authorities and the heads of the mass agitation units must give attention to the following contents:

Primary-level authorities must implement the policies and resolutions of the party and state based on their functions and manage and control society using the laws. The heads of units and organizations must manage the work based on the functions and tasks prescribed by law. This must be coordinated with the self-management of the people and cadres, workers, and civil servants. The resolutions concerning primary-level party organization guidelines and tasks must be concretized so that there are action programs. The people must be mobilized to participate in formulating these action programs and plans, particularly programs to expand commercial production and build the infrastructure, and other social activities. This must be done based on studying the situation and the aspirations of the people at the primary level. The people's forces must be managed and coordinated well in carrying out these programs.

The people must be mobilized to participate in formulating laws. Steps must be taken to ensure that the people understand and adhere to the laws, procedures, and policies concerning the rights and obligations of citizens. Specific regulations and agreements related to the tasks and interests of the people must be formulated. State administration, particularly the administrative procedures, must be reformed, with the focus being on reducing the hassle and improving relations between the primary-level authorities and the people. The people must be motivated to adhere to the laws and procedures of the state, particularly paying their taxes in full and on time.

Receiving people must be organized well, and complaints filed by the people and their legitimate aspirations must be dealt with promptly. Organizations and administrative leadership cadres must be democratically elected, and favorable conditions must be created to enable the people to find candidates and monitor the elections.

Conditions must be created to enable the village, subward, and town people's council representatives and the elected representatives at the various echelons to carry out their responsibilities prior to the election.

Attention must be given to building and managing the lower-echelon (hamlet, ward, population group, and neighborhood) administrative organizations.

Stipulations on specific standards regarding the responsibilities of cadres and administrative personnel, particularly those who deal with the people on a regular basis, must be formulated and implemented. And stipulations concerning respecting and serving the people must be implemented. Primary-level administrative cadres must be trained in all respects. In particular, they must be knowledgeable about the laws and mass agitation work. Cadres must set an example in adhering to the laws, opposing corruption and bureaucratism, and opposing those things that cause problems for the people.

Regulations to coordinate things between the primary-level authorities and the fronts and mass organizations at the primary level must be formulated and implemented well.

3. Renovating the organization and activities of the fronts, mass organizations, and mass associations:

In-depth studies must be conducted on a regular basis in order to understand the lives and aspirations of the people and of each specific target for which the organization is responsible, including those within and outside the organization, so that correct policies and measures can be formulated in a timely manner. If something is beyond the jurisdiction of an organization, the matter must be reported to and discussed with the party organizations and authorities or higher echelons.

Information must be disseminated on a regular basis using every means available so that the association members and people understand the situation and the positions, policies, and laws of the party and state and so that the higher echelon mass organizations understand the political tasks in each period.

Based on the resolutions and policies of the party and state, the mass organizations and associations must clearly understand their functions and tasks, work to benefit the association and union members, formulate and implement separate action programs, and participate in carrying out the general action programs.

The activities of the mass organizations and associations, with their varied contents and discussions on issues having to do with economic and social development, the lives of the association and union members, real democracy, and solidarity among union and association members, must contribute to the common work of the country and society.

The operations organizations of the mass associations must be built up, improved, and expanded. Attention must be given to attracting targets that have long remained uninvolved, such as religious people, ethnic minorities, non-state enterprises, and so on. Attention must be given to building mass organizations at the "empty" bases. The strength of the masses is strength that has been reorganized under the leadership of the party. The party must send outstanding and trusted cadres to carry on activities in the mass organizations and select mass organization and association cadres who are truly democratic. This must include outstanding and talented people who are loyal to the renovation movement and who have the confidence of the masses. Primary-level cadres must be trained and guided.

There must be plans and programs to coordinate actions with the authorities and other mass organizations in implementing the programs and plans. Inspections must be conducted to see if the authorities are adhering to the laws and managing society in accord with the regulations and agreements.

Attention must be given to establishing operating funds and union and association member welfare funds in accord with the statutes and laws.

General Describes Air Defense Museum

952E0101A Hanoi QUAN DOI NHAN DAN in Vietnamese 23 Jul 95 p 2

[Article by Maj. General La Hong Phuong: "The Air Defense Museum—a Priceless Herald of the Anti-Aggression Air-Defense Front"]

[FBIS Translated Text] Our Vietnamese fatherland has been able to endure and become increasingly prosperous, as it is today, because of Bach Dang, Chi Lang, Dong Da, Dien Bien Phu (1954), the great victory of the spring of 1975, and countless heroic events that are tied in with place names all over the nation. Today, under the light of the Party's line, a precious value and tradition of our nation, the Party, and the army is being revered, preserved, and developed more than ever.

Because of that great significance, added to the sincere aspiration of many generations of soldiers who guarded the skies of the fatherland, on the 30th anniversary of the first victory on 5 August 1964 the construction and upgrading of the Air Defense Museum began so that it could be worthy of its stature.

The Air Defense Museum is a specialized museum that is intended to preserve permanently precious historical material regarding the heroic combat by our soldiers and people on the air defense front, who gloriously defeated the mighty air forces of two large imperialist countries—France and the United States. By that means, it is intended to continue to affirm the traditional strength, position, and role of the strength of people's air defense in the enterprise of defending the socialist Vietnamese fatherland.

With an imposing quantity of valuable and varied objects and documents, vivid images will provide us with factual, systematic information about the formation of the air defense fronts and the appearance, and very glorious combat, development, and maturization of the young anti-aircraft, radar, and missile combat arms of the revolutionary armed forces. The museum especially emphasizes the outstanding maturization in all respects, and the tradition of winning victory from the very first battle, the first salvo, the first shell, and the first radar contact, and winning continuous victories, becoming increasingly victorious, mature, and strong as they fight, of all three combat arms and the entire armed forces branch. It especially illuminates the art of organizing and building forces, planning, determination to fight, battles that attained high combat effectiveness, great victories of strategic significance, and always fighting the enemy by means of an active, creative, and scientific posture, which causes us to realize even more profoundly the special concern of the Party and our beloved Uncle Ho toward the air defense troops specifically and the entire army in general.

Because of the special concern of the Party and our beloved Uncle Ho, the museum also illustrates the strength of an entire nation, the strength of the "battle of people's hearts," the "net of fire of people's air defense," and the strength of friendship with the fraternal nations and our friends all over the world, which was mobilized to the greatest degree, which created marvelous heroic epics in our nation's resistance against France and the United States. One of those marvelous heroic epics was the "Dien Bien Phu in the air" victory. The area is only a little more than 1,000 square meters and the time is limited, but by means of science and art of displaying and explaining that are unique, complete, and exemplary, added to the use of modern audio-visual facilities, the viewer is practically able to personally witness the combat fought by means of technology and intelligence, as if they lived in the heroic atmosphere of the time when the entire nation fought the U.S., the high point of which was the last 12 days and nights of December 1972, when we smashed the strategic raid by B52 strategic bombers of the U.S. bandits on Hanoi and Haiphong.

It may be affirmed that with the slogan, "Loyal, national, and modern," all aspects—display and introduction, the warehouse, and document archives—will meet the needs of visitors, students, and researchers in Vietnam and abroad regarding the sacred surface-to-air war of our soldiers and people during the past half century.

Although considerable difficulties have been encountered, thanks to the all-out efforts and very strong determination of the standing committee and command of the armed forces branch, the all-out assistance of the relevant organs of the state and the army, and the encouragement and positive contributions of cadres and enlisted men in the armed forces branch, a year after construction began the Air Defense Museum was opened on the 30th anniversary of the formation of the missile branch (24-7-1965 to 24-7-1995).

The Air Defense Museum will fulfill its great function well in teaching the tradition, and increasing the combined strength, of the entire armed forces branch and the nation's air defense forces.

At the same time, this is a significant cultural project south of the capital, a place that exemplifies the confidence and love of the nation's people, as well as those of the capital, for the heroic Vietnamese air defense troops.

Officials Discuss Normalization With U.S.

952E0100A Ho Chi Minh City TUOI TRE in Vietnamese 13 Jul 95 p 3>

[Article by H. Duc, T. Chanh, H.N.T.: "Normalization of Vietnam-U.S. Relations: an Opportunity for Investors"]

[FBIS Translated Excerpt] Mr. Dau Ngoc Xuan, Minister and Chairman of the State Council on Cooperation and Investment:

The normalization of Vietnam-U.S. relations will further economic cooperation between companies of the two countries, which will benefit both sides. For more than one year, since the U.S. Government announced it was lifting its embargo against Vietnam, many U.S. companies have come to Vietnam to seek commercial opportunities. From the position of number 10 among the countries and territories investing in Vietnam at the end of 1994, during the first 6 months of 1995 the U.S. rose to number six, with the approval of 11 projects totaling 295 million USD in investment capital.

The main problem that is posed now in furthering cooperation and investment relations between Vietnam and the U.S. is that the governments must negotiate in order to sign an agreement to guarantee investment and avoid double taxation. We have signed agreements with 25 countries and territories. I also hope that such an agreement will soon be signed by the two governments so that the companies can be completely at ease in economic cooperation and investment activities.

Mr. Le Duc Tu, general director of Vietnam Airlines:

The normalization of relations with the U.S. will be one of the conditions that will cause the number of passengers traveling to Vietnam to increase to 2.5 million in 1995. However, the difficulty is that we are about to have to compete with airlines with which we cannot compare with regard to size.

I believe that this is an opportunity to receive investment capital from the U.S. But that also places Vietnam in a situation in which there must be meticulous preparation. The technical infrastructure in the airline sector cannot yet meet the development requirements. Furthermore, this is one of the events that causes not only the businessmen but also the state to have to rapidly adjust the mechanisms and policies and be concerned with making more adequate investment.

The opening up of flights to the U.S. can only be achieved after the U.S. and Vietnam sign an aviation agreement. As for Vietnam Airlines, we do not yet plan to fly to the U.S. At present, the airlines in the region that are beginning flights to the U.S. are doing so mainly for political, not commercial, reasons. None of those flights have been profitable.

Mr. Duong Cao Thai Nguyen, managing director of Pacific Airlines:

The U.S. corporations have great potential and it is certain that they also want to invest in Vietnam. Our difficulty is finance. According to the amended aviation law, the acceptance of investment capital by the aviation sector must be done in such a way that Vietnamese capital accounts for 70 percent. Therefore, if capital is invested in the corporation only a minimal amount of foreign capital can be attracted.

Mr. Duong Van Bay, general director of the Municipal Tourism Corporation:

We will be able to sell many more tourism services, not only to American tourists but also to Vietnamese visiting the U.S., the number of whom, according to our surveys, is considerable. In each phase of the normalization of U.S.-Vietnam relations, the number of Americans purchasing Vietnamese tourism services has increased notably. The Municipal Tourism Corporation has made preparations for a long time to penetrate the U.S. market. In September 1993 the corporation participated in the International Tourism Fair in the U.S. and established relations with many tourism companies there. The normalization of relations between the two countries, with commercial guarantee agreements, will create developmental conditions for both sides. The Municipal Tourism Corporation is now expediting the establishment of a representative office in the U.S. However, the U.S. is a difficult market, which is something that is also considered in our corporations' planning and preparations. [passage omitted]

Mr. Cao Si Kiem, governor of the Vietnam State Bank:

After the embargo was lifted, financial-banking relations between the two countries were improved. However, there were still rather basic problems, especially in settlement relationships. Now nearly all of those problems have been resolved. The normalization of settlement relations between the Vietnamese and U.S. banking systems, following the normalization of diplomatic relations between the two countries, will create favorable basic preconditions for economic relations in general between Vietnam and the U.S. Investors and overseas Vietnamese in the U.S. can transfer capital to Vietnam and transfer profits out quickly and easily. The other types of capital will also circulate more strongly. Furthermore, the presence of U.S. banks in Vietnam will directly affect the investment activities of U.S. and other corporations with relations with them in mobilizing capital and investment loans.

The experiences in bank management, organizing a stock market, etc., also have great significance at the present time. However, it must be realized that it is a two-way relationship in which both sides benefit, and can advance only with good will on the part of both sides.

Mr. Mai Van Dau, Vice-Minister of Commerce:

Since the U.S. Government announced the lifting of the embargo against Vietnam at the beginning of 1994, commercial relations between the two countries have made clear progress. The trade index between the two countries is growing at an increasingly greater rate. If the total value of exports from Vietnam to the U.S. amounted to only 52 million USD in the entire year 1994, during the first 3 months of 1995 that figure was more than 58 million USD.

With the normalization of relations between the U.S. and Vietnam, commerce has opened up and may make new advances. But it should be remembered that Vietnam-U.S. commercial relations can truly open up only when Vietnam is granted most-favored-nation status. Whether that will take a long time or a short time depends on the good will of both sides. At the same time, both sides must sign a whole series of relevant documents, such as an economic-commercial agreement, an agreement to avoid double taxation, an agreement regarding investment guarantees, etc., in order to create a legal corridor to ensure that the corporations of both sides are at ease in commercial relations with one another.

Mr. Le Xuan Khue, head of the Market Bureau and the Representative Office of the Commercial Service:

During the recent period, U.S. businessmen have proved to be activists in encouraging the establishment of full diplomatic relations between the U.S. and Vietnam. The concern of U.S. businessmen toward Vietnam has also been clearly manifested in the presence of U.S. corporations in Ho Chi Minh City, as well as investment by U.S. businessmen in Vietnam. At present, 51 offices of U.S. corporations have received permission to operate in Ho Chi Minh City. The U.S. ranks seventh among 41 countries with representative offices in the city. Since the first U.S. corporation opened a representative office in Ho Chi Minh City on 1 January 1953 the number has increased very noticeably. At present, 24 of the 100 largest U.S. corporations are present in Ho Chi Minh City.

With the announcement by President Bill Clinton, from now on the U.S. businessmen will have solid assurances so that they can be at ease in developing their businesses in Vietnam. However, the Vietnamese corporations do not yet have such guarantees. The remaining problem at present is most-favored-nation (MFN) status. Without MFN status, the Vietnamese corporations will have a hard time competing on the U.S. market, which is vast, because they cannot bear excessively high tax rates. With MFN status, a jacket will be taxed at 16.9 percent instead of 90 percent, as at present. The same is true with regard to many other products.

Of course, Vietnamese businesses and organizations must also positively make readjustments to close the unacceptable gap between Vietnam and the U.S. with regard to the rules and customs of doing business.

Australia

Government 'Disappointed' by PRC Sentence

LD2809091195 Melbourne Radio Australia in English 0700 GMT 28 Sep 95

[FBIS Transcribed Excerpt] In China, an Australian businessman, James Peng, has been found guilty of charges of corruption but will be deported from the country. Camille Funnell reports that it is not yet known when he will be expelled.

[Begin Funnell recording] It took the southern Chinese court in Shenzhen only about 10 minutes to deliver the verdict on Mr. Peng, after hearing from the Australian businessman earlier this morning [28 September]. Mr. Peng, who has spent almost two years behind Chinese bars, was sentenced to a total of 15 years on charges of corruption; he was also sentenced to another three years for misappropriating public funds. However, in his verdict the judge announced that Mr Peng would be deported from the country. No time has yet been given. Camille Funnell, Shenzhen, China. [end recording]

The Australian Government says its disappointed at the severity of the sentence imposed on Mr. Peng. Stuart Heather reports that Australia's Acting Foreign Affairs Minister, Bob McMullan, says the government will urge lenient treatment for Mr. Peng.

[Begin Heather recording] Senator McMullan says although Australia is awaiting details of the sentence, it appears he must serve a minimum of 15 years imprisonment and then be deported. Senator McMullan says Australia would like China to deport Mr. Peng as soon as possible. There's a precedent for that in the action taken after the conviction of Chinese-American human rights campaigner Harry Wu.

The foreign minister, Gareth Evans, who is in New York for the United Nations General Assembly, has already written to his Chinese counterpart to ask for clemency. [passage omitted] [end recording]

Evans 'Distressed' by Sentence

BK2909031195 Melbourne Radio Australia in English 0100 GMT 29 Sep 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says he is distressed that the length of the jail sentence imposed in China on convicted Australian Chinese businessman, James Peng. Mr. Peng has been found guilty of corruption, embezzlement, and misappropriation of public funds and sentenced to jail and deportation.

Our New York correspondent, Philip Lasker, reports Senator Evans is seeking a meeting with his Chinese counterpart.

[Begin Lasker recording] Both Sen. Evans and Chinese Foreign Minister Qian Qichen are in New York for the UN General Assembly meeting. Australian officials claim they are attempting to arrange talks between the two ministers before Sunday when Mr. Qian is scheduled to leave. Sen. Evans says he will argue that this is a proper case for the exercise of compassion and immediate deportation.

He says the circumstances of Peng's arrest, trial, and imprisonment have been manifestly unhappy and there is a proper case for clemency. [end recording]

Evans, Qian Discusses Issue

LD2909101095 Melbourne Radio Australia in English 0900 GMT 29 Sep 95

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says his Chinese counterpart, Qian Qichen, has agreed to consider Australia's plea for clemency for the jailed Chinese-Australian businessman James Peng. Senator Evans has met Mr. Qian in New York where they are both attending the 50th session of the United Nations General Assembly. Senator Evans said he told Mr. Qian the case had negative implications for Australians wanting to do business in China.

Mr. Peng was sentenced by a court in Shenzhen in southern China to serve a minimum of 16 [as heard] years' jail and deportation on charges related to his business dealings in China. The sentence is in addition to two years that Mr. Peng has already spent in detention.

Senator Evans told Mr. Qian clemency was appropriate because of the original circumstances and duration of Mr. Peng's detention and his treatment while confined, including limited access to medical aid, his family, and legal advisors. The Australian foreign minister said there were compassionate grounds for immediately deporting Mr. Peng because of the suffering a long period of detention would have on his young family.

Politicians, French Envoy Discuss Tests

BK2909084295 Melbourne Radio Australia in English 0500 GMT 29 Sep 95

[FBIS Transcribed Text] In Canberra, a delegation of Australian federal politicians has met the French ambassador, (Dominique Girard), to express their concern at nuclear testing in the South Pacific. The group calling themselves Politicians for a Nuclear Weapons Free World was formed by politicians who returned from protesting in French Polynesia about the French test. Liberal Party backbencher Bob Charles says such groups have already had some effect.

[Begin Charles recording] While it appears that the French will continue, nonetheless, we must continue protests on behalf of our constituents and our electorates and on behalf of all Australians and, indeed, all the people in the South Pacific. If we don't, then they will continue with all the tests nonstop. [end recording] [passage omitted]

Fiji

Resignations Pave Way for New Cabinet

LD2809095995 Melbourne Radio Australia in English 0700 GMT 28 Sep 95

[FBIS Transcribed Text] In Fiji, the two rebel General Voters' Party [GVP] ministers in the cabinet have resigned, paving the way for the prime minister, Sitiveni Rabuka, to form a new cabinet by the end of this month. The ministers, Vincent Lobendahn and Bill Awl [name as heard], have resigned after two months of negotiations between the GVP and the Fijian Political Party [FPP] to try to salvage their coalition government.

The crisis developed after the GVP president, Leo Smith, was sacked in July for supporting an opposition motion condemning French nuclear testing in the Pacific Mr. Lobendahn and Mr. Awl then joined the cabinet in defiance of directives from their party.

FPP officials say the resignations will pave the way for Mr. Smith and possibly another GVP member to join the cabinet, giving Mr. Rabuka the numbers to pass the November budget.

French Polynesia

More Gendarmes Arrive in Tahiti for Next Test

LD2809083395 Paris France-2 Teletext in French 0721 GMT 28 Sep 95

[FBIS Translated Text] Two gendarme companies arrived in French Polynesia on Thursday as reinforcement for the troops already on the spot in view of the second nuclear test planned by Paris. A total of 810 men have now been detached to Tahiti to maintain law and order.

The security forces seemed to be overwhelmed during the riots which followed the first test, on 6 and 7 September this year. Some say on the island that the next test will be conducted on Friday.

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